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105
CREDIT AND CONSERVATION



HEARING
BEFORE THE
SUBCOMMITTEE ON CONSERVATION AND CREDIT
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
EIGHTY-FIFTH CONGRESS
FIRST SESSION
ON
H. R. 953, 1045, 3753, 3861, 3988, 4253, 4404,
4958, and 5497

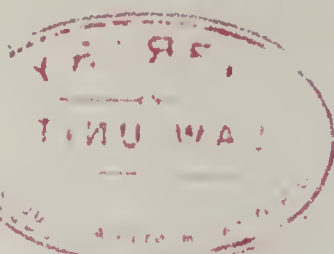
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CREDIT AND CONSERVATION

TUESDAY, MARCH 5, 1957

HOUSE OF REPRESENTATIVES,
SPECIAL ACTION SUBCOMMITTEE ON CONSERVATION
AND CREDIT OF THE COMMITTEE ON AGRICULTURE,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10 a. m., in room 1310, New House Office Building, Hon. W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage (chairman of the subcommittee), Grand, and McIntire.

Also present: Representatives Abernethy, Hagen, Thompson, Jones, Watts, Johnson, Matthews, Krueger, Sikes and Budge.

Mr. POAGE (presiding). The committee will please come to order.

We are here this morning for the purpose of considering all of the bills that are before this subcommittee.

(The bills are as follows:)

[H. R. 953, 85th Cong., 1st Sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act so as to increase the maximum indebtedness which farmers may incur under such Act for operating loans

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 21 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C., sec. 1007 (b)), is amended by striking out "\$20,000" and inserting in lieu thereof "\$30,000".

[H. R. 1045, 85th Cong., 1st sess.]

A BILL To amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended as follows: Subsections (b), (c), (d), (e), (f), and (g), and the subsection designation "(a)" are stricken out.

SEC. 2. (a) Subsection (a) of section 8 of said Act, as amended, relating to the period within which the Secretary is authorized to develop programs and make payments directly to farmers for specified purposes, is hereby repealed.

(b) The first sentence of subsection (b) of section 8 of said Act, as amended, is amended by striking out the words "Subject to the limitation provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The".

(c) Subsections (b), (c), (d), (e), and (f) of section 8 of said Act, as amended, are redesignated as subsections (a), (b), (c), (d), and (e), respectively.

SEC. 3. Sections 8, 9 and 12 of the Soil Conservation and Domestic Allotment Act, as amended, are amended by deleting "7 (a)" wherever it appears and inserting in lieu thereof "7".

SEC. 4. Section 388 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting "8 (b)" wherever it appears and inserting in lieu thereof "8 (a)".

[H. R. 3753, 85th Cong., 1st sess.]

A BILL To enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of the Act entitled "An Act to enable the Secretary of Agriculture to extend financial assistance to homestead entrymen, and for other purposes", approved October 19, 1949 (63 Stat. 883), is amended by striking out "homestead entry" and inserting in lieu thereof "homestead or desert-land entry".

(b) The last sentence of the first section of such Act is amended by inserting after "project," the following: "or to an entryman under the desert-land laws".

[H. R. 3861, 85th Cong., 1st sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e), as amended by Public Law 878, Eighty-fourth Congress), is further amended to read as follows: "No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant's personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values."

[H. R. 3988, 85th Cong., 1st sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e), as amended by Public Law 878, Eighty-fourth Congress), is further amended to read as follows: "No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant's personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values."

[H. R. 4253, 85th Cong., 1st sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e), as amended by Public Law 878, Eighty-fourth Congress), is further amended to read as follows: "No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant's personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values."

[H. R. 4404, 85th Cong., 1st sess.]

A BILL To amend section 15 of the Bankhead-Jones Farm Tenant Act, as amended, so as to make loans insured by the Secretary of Agriculture eligible for investment by national banks as "investment securities" rather than loan obligations, and to include such loans in the excepted class of investments listed in section 5136 of the Revised Statutes, relating to national banking associations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15 of the Bankhead-Jones Farm Tenant Act, as amended, is amended by adding the following new paragraph (c):

"(c) The next to the last sentence in paragraph Seventh of section 5136 of the Revised Statutes, as amended (U. S. C. 1952 edition, title 12, sec. 24), is hereby amended by changing the colon after the word 'obligations' to a comma and inserting before the word 'Provided,' the following: 'or obligations which are insured by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm

Tenant Act, as amended, or the Act of August 28, 1937 (relating to the conservation of water resources), as amended, and such obligations shall be considered as marketable obligations eligible for investment or purchase by a national bank as investment securities.”.

[H. R. 4958, 85th Cong. 1st sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e), as amended by Public Law 878, Eighty-fourth Congress), is further amended to read as follows: “No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant’s personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values.”

[H. R. 5497, 85th Cong., 1st sess.]

A BILL To amend the Watershed Protection and Flood Prevention Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 (2) (A) of the Watershed Protection and Flood Prevention Act (Public Law 1018, Eighty-fourth Congress) be amended by inserting immediately after “and disposal of water”, the following: “or for recreational and fish and wildlife development.”

Mr. POAGE. It had been my intention to hear the authors of the conservation bills first. I see none of the authors of any of the conservation bills present at this time.

Mr. Abernathy assured me that he would be here but he is not here at the moment. Possibly we can save a little time by starting with some of the credit bills.

The first bill we have is H. R. 953 by Mr. Teague of Texas. Mr. Teague sent word that he would file a statement.

We have a report from the Department on that bill, an adverse report.

Mr. Heimburger, will you read the report?

Mr. HEIMBURGER. I will be very happy to, Mr. Chairman. [Reading:]

MARCH 4, 1957.

HON. HAROLD D. COOLEY,
*Committee on Agriculture,
House of Representatives.*

DEAR CONGRESSMAN COOLEY: This is in response to your request of February 21, 1957, for a report from this Department, concerning H. R. 953, a bill to amend the Bankhead-Jones Farm Tenant Act so as to increase the maximum indebtedness which farmers may incur under said act for operating loans.

The bill would amend subsection (b) of section 21 of the Bankhead-Jones Farm Tenant Act, as amended, to increase the maximum indebtedness which farmers may incur under such act for operating loans from \$20,000 to \$30,000.

We do not recommend enactment of the bill.

The Department does not believe that authority is needed for the increased maximum indebtedness for the reason that the experience of the Farmers’ Home Administration, during the 1957 fiscal year, shows that the \$20,000 loan limit, with rare exceptions, is sufficient to meet the operating credit needs of family-type farmers and ranchers throughout the country.

By the passage of Public Law 878, 84th Congress, 2d session, approved August 1, 1956, the operating loan limit was increased from \$10,000 to \$20,000 and conditions have not changed sufficiently since that time to warrant increasing the loan limit.

In view of Mrs. Downey's telephone request that this report be submitted prior to the hearings on March 5, we have not obtained advice from the Bureau of the Budget as to the relationship of this proposed legislation to the program of the President.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

Mr. POAGE. Is there anyone here who wants to be heard on this bill, H. R. 953?

It is by Mr. Teague of Texas. Mr. Teague has asked, and without objection will receive permission to file a statement concerning it. He is not in town today.

(The statement is as follows:)

STATEMENT OF HON. OLIN. E. TEAGUE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. TEAGUE. Mr. Chairman, I appreciate very much your inviting me to appear before you here today in support of my bill H. R. 953, the purpose of which would be to amend the Bankhead-Jones Farm Tenant Act so as to increase the maximum indebtedness which farmers may incur under the act for the operating type loans administered by the Farmers' Home Administration. I believe the fact that this committee has seen fit to give consideration to this bill so early in the session is indicative that the need for increasing the maximum indebtedness is recognized.

As you know, the objectives of the operating loans to full-time family-type farmers and stockmen are to assist them to become established successfully in a sound- well-balanced system of farming or stock raising and to make full and efficient use of their land and labor resources.

To qualify for one of these loans, a farmer must first show that credit in an amount sufficient to finance his actual needs is not available to him at rates (not to exceed 5 percent per annum) and terms prevailing in or near the community in which he resides for loans of similar size and character from commercial banks, cooperative lending agencies, and from other responsible sources. Additionally, no operating loans may be made after 7 years continuous indebtedness except in hardship cases when the inability of the borrower to repay his indebtedness within 7 years was due to causes beyond his control. The period of continuous indebtedness can be extended to 10 years.

I do not believe it is necessary for me at this time to go into the fact that the Southwest has experienced the most prolonged drought in history as I am sure that all of you gentlemen are well aware of this fact. The result has been however, with respect to the operating loan feature of the Farmers' Home Administration, that the majority of my farmers have reached the maximum indebtedness of \$20,000; and while the individual county committees have been most considerate and have agreed to extend the period of indebtedness to 10 years, the farmers have been unable to obtain additional credit for operating capital to carry on their farming operations. In other words, gentlemen, unless we provide them with an additional "stake" they will have no means at their command to realize any return for the purpose of reducing their present indebtedness to the Farmers' Home Administration.

During my visit to my congressional district during the summer and fall of 1956 I spoke personally with farmers, stockmen, and bankers, and the latter freely stated that their portfolios at present indicated they would not be in a position to extend additional credit to the farmers in their area for the coming crop year.

I do not intend to belabor this committee with multitudinous facts and figures as I am confident that you are cognizant of the many benefits resulting from the operating loan to the full-time family-type farmer and the problem which confronts him at this time. I do, however, respectfully request that you give favorable consideration to this legislation which would increase this maximum indebtedness under the law from \$20,000 to \$30,000. Thank you.

Mr. POAGE. Is there anyone here who cares to be heard on this bill?

There are representatives from the Department of the Farmers' Home Administration here. Do you care to make any additional comments on this bill?

Mr. K. HANSEN (Farmers' Home Administration). No additional comment unless there are questions.

Mr. POAGE. Are there any questions on the part of any of the members of the committee?

If not, the committee will pass on to the next bill, and consider this bill further in executive session.

The next bill is Mr. Abernethy's bill. He has not arrived and I will pass on to Mr. Budge's bill which is H. R. 3753. Mr. Budge is here, and we will be glad to hear from you, Mr. Budge.

STATEMENT OF HON. HAMER H. BUDGE, A REPRESENTATIVE IN CONGRESS FROM THE FIRST CONGRESSIONAL DISTRICT OF THE STATE OF IDAHO

Mr. BUDGE. Thank you very much, Mr. Chairman. I appreciate this opportunity to appear before the committee on behalf of H. R. 3753.

This is legislation which I have introduced to place desert-land entrymen in the same position as those who homestead land.

When the act was amended some years back, it did include the homesteaders, but it has never included the desert entryman.

Homesteading is almost a thing of the past in the West any more. Our development is primarily based on desert entrymen.

The bill is identical to one which was introduced in the last Congress, and similar to S. 1472 which was passed by the other body during the last session of the Congress.

It would permit the Secretary of Agriculture through the Farmers' Home Administration to obtain a mortgage on entered desert land prior to the issuance of a patent to the desert-land entrymen. It will be extending financial assistance to these farmers to the same extent as such assistance is available to homestead entrymen.

At the present time a number of desert-land entrymen in my congressional district in Idaho have applied to the Farmers' Home Administration for loans, but have been denied even any consideration because of the inability of the entrymen to provide the land security for the loan.

Had he been operating under the homestead laws, and everything else being in order, the financial assistance would have been forthcoming from the Farmers' Home Administration.

If this bill is enacted it would permit the Farmers' Home Administration to pass on the merits of the loan. And if the security is there, then to provide financial assistance to the desert-land entryman.

Many of the entrymen need need this assistance to install their irrigation facilities and to otherwise improve the land on which they have filed for improvement and development.

I have been advised by the Department of Agriculture that no additional appropriation would be necessary to implement this act, and that there is no objection to this proposed legislation. In fact, it is my understanding that the Department is prepared to testify in support of the legislation should the committee so desire.

Mr. POAGE. The committee has available the report from the Department.

Mr. BUDGE. Thank you, Mr. Chairman. It is a pleasure of quite some importance due to the fact that homesteading is simply not going forward in the West any more. Our development is by desert entry. And I see no objection to the legislation from any area at all.

I very much appreciate your courtesy in permitting me to appear.

Mr. POAGE. Do I understand correctly—and I know so little about desert-land entrymen—that the desert-land entryman is the man who takes up two sections of land; is that right?

Mr. BUDGE. I do not know of any requirement as to the amount of land.

Mr. POAGE. Under the Homestead Act you can only take up 160 acres; is that right? I am asking you for information. I do not know.

Mr. BUDGE. Actually, there has been so little homesteading in my State in my lifetime that I do not know the answer to that question, either.

Mr. POAGE. Is there anyone here who does know? How much land do you take under the homestead law?

Mr. KREUGER. It depends. For instance, my brother homesteaded in Montana and he was allowed to take 320 acres for homesteading.

But in North Dakota when it was still in effect we were only allowed 160 acres.

Mr. SIKES. It is 160 in the Southeast.

Mr. POAGE. How much?

Mr. BUDGE. I do not know that there is any limitation on it. This is the way the situation arises. It is on land that is administered by the Bureau of Land Management.

The first consideration is that the desert-land entryman must prove that there is water available for the irrigation of the land.

Under the Homestead Act in the areas where there is sufficient rainfall to grow crops practically all of the homesteading has been accomplished for those areas. This development comes about when there is water available, either surface water or water which can be pumped from the ground.

And the Bureau of Land Management will not approve these applications for desert entry until the entryman has proved to the satisfaction of the Bureau of Land Management that the water is available for the irrigation of the land.

Mr. POAGE. Let me ask you this, because this is the thing that I never understood about the whole public land policy.

As I understood it all of this public land on which a man might make entry has actually been allocated or assigned to some livestock operator who somewhere possessed the necessary headquarters with water and hay land. And that they have the right to graze all of this public land. Is that correct or is it not?

Mr. BUDGE. No, I would say that is a use which exists only until such time as a higher use is applied for. The irrigation of the land, to put it into the production of crops, than using it for grazing, is a higher use.

Mr. POAGE. That is exactly what I want to get at. Does the entryman—assume that I want to go out and file an entryman claim on some of this public land and I find that my friend McIntire already has a permit to graze 10,000 sheep over that land, can I by drilling a well or by finding water some way—can I, if I can show that I can irrigate the land, can I take title to the land and put his sheep off?

Mr. BUDGE. If the Bureau of Land Management finds that the water is available for the irrigation of that land, I would say "yes."

The Taylor grazing permit on the Bureau of Land Management lands is not something that exists in perpetuity. It is simply a use, a permissive use of the land.

Mr. POAGE. That is what my observation has been, that some are in practice a perpetual easement.

Mr. BUDGE. That, of course, is one of the considerations in the Bureau of Land Management. You have to have some continuity to it. A man cannot have 5,000 sheep one year and 5,000 the next year. You cannot operate in the sheep and cattle business that way.

So there has been some continuity to it.

As a matter of fact, the Bureau has been quite, perhaps I should say, dilatory in granting desert-land entries in the last 2 or 3 years because of the present agricultural situation.

But I anticipate that when agriculture is in a little different position that the desert land entries will go forward quite rapidly in some areas of the country.

Mr. POAGE. Tell me now, if I want to enter on some of this land, how much of it do I have to put under irrigation? Certainly there will be parts of that section that in many cases could not be put under irrigation practically. Other parts of it could be.

How much do I have to put under irrigation?

Mr. BUDGE. So far as I know, if you can make an economic unit of it, even though it might be only 60 acres, there is no requirement that you would have to take a section.

In fact, most of the development that has occurred in my State—and there has been considerable in the last 7 or 8 years—has been in smaller acreages of 100 or 160 acres. Those have been segregated by the Bureau of Land Management as being the maximum area that can be irrigated with the water supply at that particular point.

Mr. POAGE. How much land did those people take up? Did they take up only 100 acres or did they take up 640?

Mr. BUDGE. They can only get the desert entry to the portions which they can satisfy the Bureau of Land Management can be irrigated.

Mr. POAGE. If they have a hill in the middle of the field they cannot get the hill; is that right?

Mr. BUDGE. That problem does not arise much in my particular area. Desert land is pretty flat.

Mr. POAGE. It is not all over the country, though.

Mr. BUDGE. No, sir. Nor is there an underground water supply all over the country. The areas that would be affected would be somewhat limited because of the water supply or the shortage of the water supply.

Mr. POAGE. Is there anyone here from the Bureau of Land Management—anyone representing them here?

Mr. BUDGE. I think I can say that the Department of Interior and the Bureau of Land Management both favor the passage of this legislation.

Mr. POAGE. Well, I was simply wanting to get their rules and regulations whether they do allow a man to take more than the land that he actually put water on.

It would seem to me that you could not get a very economical unit if you had nothing in the world but irrigated land, from what little I know of it. I have always thought that livestock went along with it.

Mr. BUDGE. I would say not. In my area, Mr. Chairman, when you are growing potatoes or sugar beets or peas or beans, tomatoes, lettuce, or row crops, you are not engaged with any form of livestock. I would see no reason to go outside of the irrigated acreages.

Mr. POAGE. Do I understand, then, that a man cannot take this land up and have livestock with it, even though he irrigates the land? He cannot irrigate the land and run a dairy or beef herd or anything of that nature?

Mr. BUDGE. Well, I would not want to say that he could not. That is not the usual practice. That is pretty expensive land to put into pasture when you have to use pump irrigation.

Mr. POAGE. Some of it is \$500-an-acre land.

Mr. BUDGE. I have some, too, but not in recent years with the cost of water. With your surface water you can.

Mr. POAGE. There is more high priced land in grass than almost any other one thing. We have that surface irrigation, for example, in the Brazos Valley in my hometown area. We have surface irrigation where the water is relatively cheap.

But it is pretty expensive operation when you are pumping the water from two or three hundred feet below the ground.

And the people that have gone into the desert entries have not gone into livestock operations to any great extent.

Mr. POAGE. Mr. McIntire.

Mr. McINTIRE. I would like to inquire just what does this bill accomplish in relation to the collateral situation of these loans. What type of title does the operator have as a desert-land entryman?

Mr. BUDGE. He is issued by the Bureau of Land Management a desert-land entry permit. This is after the finding which must be an affirmative finding that the land is acceptable to irrigation and that there is a supply of water to place on that land.

This legislation picks up the hiatus between the time of the issuance of the desert entry permit to the time that patent is issued.

After patent is issued he, of course, could apply to the Farmers' Home Administration and receive credit.

But the man who homesteads after he makes his entry, can immediately apply to the Farmers' Home Administration for financial assistance and receive it. But the desert entryman cannot.

And he cannot get his patent to the land until he proved up on it by bringing it into cultivation.

Mr. McINTIRE. This legislation would permit the Farmers' Home Administration to make this loan before there was actually any water available to spread on the land?

Mr. BUDGE. Well, I do not know how you could say available. I would say before the water is actually placed upon the land. I think that would be correct.

Mr. McINTIRE. Even before any facilities were available or installed by which the water could be placed upon the land.

Mr. BUDGE. I think that the Farmers' Home Administration have had a lot of experience in this particular line on deeded land, and they will not make the loan on deeded land until they are satisfied that the water supply is available and that the funds which they might loan, for example, to build canals or to put in a sprinkling system would be actually used for the irrigation of the land.

Mr. McINTIRE. By virtue of the issuance of this entry permit, is that a negotiable or transferable certificate from one person to another?

Mr. BUDGE. No, sir.

Mr. McINTIRE. What recovery does the Farmers' Home Administration have? Do they acquire title under their loan?

Mr. BUDGE. They would have a mortgage which, of course, would erase any claim which the entryman might have to the land.

Mr. McINTIRE. If it is not a transferable entry, how much of a claim does he have?

Mr. BUDGE. He has the only claim, outside of the claim of the United States Government.

In fact, the Farmers' Home Administration has loaned a great deal of money in my State for this same type of development on deeded land, and on which there was no water at the time the loan was made.

The record of those loans has been excellent. I know of actually none where they have not recovered the loan which was made or, at least, the loans are current.

Mr. McINTIRE. Am I correct in assuming where a man held title to the land that, at least, there is a transferable interest, but in this situation he has no interest as to ownership?

Mr. BUDGE. Well, I would say this, that he has a mortgageable interest which will ripen into a fee title when the patent is issued.

And I think we should also differentiate between the type of land with which we are dealing here and farming land in other areas of the Nation.

This desert land, whether it is deeded land or whether it is under desert land entry is practically valueless.

Your deeded land, giving a mortgage to so many acres of sagebrush, that is no security. Actually no difference insofar as the security which the Government receives.

Mr. POAGE. Would you yield?

Mr. McINTIRE. Yes.

Mr. POAGE. Is it true that when this desert-land entryman puts the irrigation improvement on the land, that that is when he gets a patent on it?

Mr. BUDGE. He gets his patent when he proves up on the land.

Mr. PoAGE. In other words, if the Farmers Home Administration makes a loan for irrigation, to finance the placing of irrigation equipment, be it sprinkler or pumps or whatever is necessary, when they make that loan, if the loan is actually used for the purpose for which it is made, they have control over the spending of the money; then the title does vest and they then do have a mortgage that can be foreclosed and they could take possession of the land, as I understand it.

Mr. BUDGE. That is correct.

Mr. PoAGE. And consequently, they are safe in that they make the loan for the very purposes that vests the title. In other words, like when you take a mechanics lien on the building of a house, as I understand it.

Mr. BUDGE. That is correct.

I might point out to the committee that we have had quite a bit of experience in this type of development.

In my congressional district alone, over a quarter of a million acres of the desert has been irrigated primarily by underground water, something that we didn't know much about 10 or 15 years ago.

So the Farmers' Home Administration has had a considerable amount of experience in this field. And I am satisfied that they do not feel that it is a speculative field or a departure from the previous policies of the Farmers' Home Administration.

Mr. McINTIRE. What other lenders are there in the field now on this same type of loaning?

Mr. BUDGE. Insurance companies have loaned a great deal of money—life insurance companies. A number of eastern life insurance companies such as John Hancock, for example, has loaned a great deal of money for this type of development.

The banking institutions both in the area and out of the area have loaned a considerable amount of money for this type of development.

Mr. McINTIRE. Are these ownerships eligible under the Federal Land Bank requirements—do they loan on this type of title?

Mr. BUDGE. I would think so, after the patent is secured. But, of course, they could not loan either until the patent is secured, nor could they on homestead land.

Mr. McINTIRE. Do the insurance companies loan before the patent is issued?

Mr. BUDGE. Well, I would think either the banks or the insurance companies if the credit is something other than the land itself they would make the loan.

I do not know of anyone who is making the loan looking toward the land—just the land itself, because the land is relatively valueless. It is just so many acres of sagebrush. You cannot borrow anything from anyone just for the sagebrush.

Mr. McINTIRE. I realize that. But what I was trying to explore was whether the Farmers' Home Administration by virtue of this legislation will be lending in a field in which there is no lending at the present time or whether there is lending under the same arrangement as this legislation would provide.

Mr. BUDGE. If an individual has a credit rating and wants to borrow money to go in and develop this sage brush land, he can borrow it from the bank or from an insurance company, or other commercial lenders.

Mr. McINTIRE. We are not making the same rule on this, are we?

The Farmers' Home Administration would make the same credit analysis and lend on the credit standing of the individual, rather than the security. Or is it the thought that you would permit them to lend on security?

Mr. BUDGE. It is my understanding that the Farmers' Home Administration is supposed to only make loans where they cannot be obtained through commercial sources.

However, the Farmers' Home Administration has made so many loans in my congressional district on this type of development that they are not entering into any new field. It is simply giving them the authority to do that which they would like to do in making up loans which they feel and I feel are perfectly secure, as secure as any of the other loans which they make in the area.

On dry land, I think these loans would be far superior to any dry land loans out there when they cannot depend upon moisture.

Mr. POAGE. Any other questions of Mr. Budge?

If not, we are very much obliged to you, Mr. Budge.

Mr. BUDGE. Thank you, Mr. Chairman.

Mr. POAGE. We have a statement from the Secretary of Agriculture, a report on this bill. I will ask Mr. Heimbarger to read it.

Mr. HEIMBURGER. We have a letter dated March 4, 1957, from the Department.

MARCH 4, 1957.

HON. HAROLD D. COOLEY,
Chairman, House Agriculture Committee,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to Mrs. Downey's telephone request of March 1, 1957, for a report on H. R. 3753, a bill to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen.

This Department recommends favorable consideration of the bill.

This bill would amend Public Law 361, 81st Congress, to authorize the Secretary of Agriculture to make loans under the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 28, 1937, as amended, known as the Water facilities Act, to persons who are acquiring farms by means of desert-land entries to the same extent as loans are made to homestead entrymen under these statutes.

Public land is being made available in Western States for entry under the desert-land laws where water supplies may be developed for irrigation. Persons who are making desert-land entries do not secure patents to the land until they have spent certain specified sums for land clearing and installing irrigation works serving the land entered, as required by desert-land laws.

The failure of an entryman to comply with desert-land requirements is cause for the entry to be canceled by the Secretary of the Interior. Until the land is patented to the entryman, a mortgage on such land has practically no value as security for a loan that can be made under existing authorities.

Many of the entrymen apply to the Farmers' Home Administration for credit to install irrigation facilities and otherwise to develop and improve their farms. The Farmers' Home Administration has not been able to serve any of these applicants under the farm ownership program and has made soil and water conservation loans to a limited number of those who were able to give mortgages on property other than their desert entry.

This bill, if enacted, would permit the Secretary of Agriculture to obtain a valid mortgage on entered desert land prior to the issuance of a patent to the desert-land entryman, thereby permitting the Department of Agriculture to extend financial assistance to more of these entrymen.

This bill would not require any additional appropriation at this time. Available direct and insured loan funds would be adequate to permit loans to be made under the amendment, and the administrative expense funds would absorb the cost of making, insuring, and servicing such loans.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE.

Mr. POAGE. Now I wonder if we have a representative from the Farmers' Home Administration. I would like somebody from the Farmers' Home Administration to explain just how they feel about the mortgage.

STATEMENT OF CHARLES C. BARNARD, DIRECTOR, BUDGET AND STATISTICS DIVISION, FARMERS' HOME ADMINISTRATION

Mr. BARNARD. I am Mr. Barnard from the Farmers' Home Administration.

I will read from Public Law 361 which tells what type of a mortgage we do get.

It says, "Any such loan required by the Secretary of Agriculture or by law to be secured by a real-estate mortgage may be secured by a mortgage contract which shall create a lien against the land in favor of the United States acting through the Secretary of Agriculture and any patent thereafter issued shall recite the existence of such lien." This means that the Farmers' Home Administration, the Department of Agriculture, gets a mortgage on the land.

The Department of Interior owns it. We get a mortgage on it.

If we have to foreclose we get the land.

Mr. POAGE. You get the land for the Farmers' Home Administration. What do you do with it? What do you do with it when you get it?

Mr. BARNARD. We could deal with it like any other land we might have.

Mr. POAGE. You can sell it?

Mr. BARNARD. Yes.

Mr. CAMPBELL. May I speak to that point?

Mr. POAGE. Yes.

STATEMENT OF HOWARD V. CAMPBELL, GENERAL COUNSEL'S OFFICE, DEPARTMENT OF AGRICULTURE

Mr. CAMPBELL. Mr. Chairman, I am Howard V. Campbell, General Counsel's Office, Department of Agriculture.

I want to further point out the provisions of Public Law 361, which is the act of October 19, 1949.

The entry on homestead or in a reclamation project merely entitles the entryman to begin his farming operations and to perform certain requirements of the Bureau of Land Management or the Bureau of Reclamation, including the cultivation of the land to be entered and the establishment of homestead.

During the period when that development is taking place, the entry is subject to cancellation. There is no conveyance of title. So there is no title to revert.

But upon cancellation the land is again available for entry by an eligible entryman.

The first entryman loses all of his interest in the land. Any lien that might be placed on the land after the entry and before patent is issued is automatically rendered ineffective by cancellation of the entry except as the rights of creditors are preserved by special legislation.

It was with that state of the law that Public Law 361 was initially passed to permit the Secretary of Agriculture to get a lien which would carry over beyond the cancellation of an entry, should the entryman fail to perform all of the requirements.

Public Law 361, in addition to the part which Mr. Barnard read, also provides that upon cancellation of an entry, prior to the completion of all of the reclamation and homestead requirements the land shall be available for reentry by a person eligible for the benefit of title I of the Bankhead-Jones Farm Tenant Act or the Water Facilities Act, and also eligible for reentry under the Department of Interior law, whether it be reclamation or homestead entry.

During that one year the Bureau of Reclamation and the Department of Agriculture reexamine the entry to see whether it is still in condition that an economic unit can be made out of it. And if it needs adjustment, an adjustment is made.

And if it needs reappraisal to determine the correct debt carrying ability of that land, those adjustments will be made and reentry and the new loan will be made on the reappraisal.

If at the end of 1 year no eligible entryman who is also eligible for title I Bankhead-Jones loan or water-facilities loan has been found, then instead of the land being retained under control of the Secretary of the Interior, the Secretary of Agriculture is given authority to sell the land and liquidate his loan interest in the land, and any improvements that may have been put on it in the meantime.

Mr. POAGE. Can he just go out and sell it by private sale?

Mr. CAMPBELL. After the year has passed and no eligible person has been found, then it is sold on the same basis as our other acquired property is sold.

Mr. POAGE. Your other acquired property—that is one of my great troubles in understanding this—you do not sell your other acquired property. You have a lot of property that has not been sold.

Just how do you sell this? That is what I want to know.

Mr. CAMPBELL. It is advertised.

Mr. POAGE. Do you go out and advertise it in the newspaper, or do you turn it over to a real-estate man? How do you sell it?

Mr. CAMPBELL. Section 43 of the Bankhead-Jones Farm Tenant Act provides any land that is not suitable for the purpose of that act shall be sold after public notice at the highest price obtainable, on terms of 20 percent down and 5 years on the balance.

And those are the terms on which this acquired surplus property which is not usable in the program is sold.

This bill, as I understand it, would put the desert-land entryman in the same category as the homestead entryman land for the purpose of liquidating the Secretary of Agriculture's interest in the land, in the event that it is not carried on by another eligible borrower and entryman.

Mr. McINTIRE. As I understand it, this land is public land under the management of the Bureau of Land Management. And if this desert entryman has a loan, under the Farmers' Home Administration, and if the operation of the loan is not successful, then by this law that you refer to, you cure that title by taking it out of the hands of the Secretary of the Interior and putting it over into the hands of

the Secretary of Agriculture, and it can be sold as any property that has been acquired.

Mr. CAMPBELL. It operates about that way, yes.

You see, the security title is still conditioned on the performance of all of the requirements of the Bureau of Land Management. And they may extend over a period of years.

I think in the desert-land case the application of the water must take place within 4 years of the entry. It won't be until after the entryman has done all of that, that the Bureau of Land Management will issue a patent on which a private lender will make a loan.

Mr. POAGE. Wait a minute. That is what I did not get. I thought after you had spent this year trying to get somebody to take up this bad deal that you then could go out and sell it.

But you don't—you just sell him the right to become an entryman; is that all?

Mr. CAMPBELL. No; there are two different problems, Mr. Poage. I was addressing my remarks to Mr. McIntire to the normal situation where the loan is still a going concern. Merely the fact that the patent does not issue until the requirements of residence and cultivation and application of water are met. If they fail——

Mr. POAGE. If during this year you get another entryman, he does not get a patent either, until he has complied?

Mr. CAMPBELL. That is correct.

Mr. POAGE. Let us take after the year has expired and you do not get anybody that wants to go out——

Mr. CAMPBELL. The first entryman fails to complete his requirements for some reason.

Mr. POAGE. He fails and spent a year's time trying to do it. You tried to get another one and you failed in that.

Then I understand the Department of Interior turns the land over to you.

As I understood, you just advertise it and sell it, just exactly like you sell a piece of land that you would acquire on foreclosure of a lien on privately owned land?

Mr. CAMPBELL. That is right.

Mr. POAGE. You sell it, and Mr. Kreuger can buy it and do anything in the world he pleases with it. All he does is to pay you 20 percent cash and he gives you a note for the other 80 percent. And he has a right to turn around and sell the land subject to that indebtedness; hasn't he?

Mr. CAMPBELL. Yes; conditioned on any provision in the mortgage that you take back, the vendor's lien, which might control the disposition of that land.

Mr. POAGE. That is exactly what we are asking. Do you control the conditions or do you sell it? That is what I want to know. If you put conditions in there, you do not make an unconditional sale. That is what I want to know. Do you make an unconditional sale; or do you not?

Mr. CAMPBELL. In the Columbia River Basin, on the reclamation projects, we do put in a provision in the mortgage on a credit resale of surplus property, that the residence requirements and the cultivation requirements and the antispeculation clause, which are rules of the Department of Interior, Bureau of Reclamation, shall apply the same as though the land was sold.

Mr. POAGE. Then you do not sell that property—you don't sell that property then.

You sell a man a right to go out there to buy the entry and pay for the improvements on it. That is really what he pays for. He does not pay anything for the land, does he, when you sell it to him? You have loaned John Smith \$10,000 to put irrigation works on the land. You figure it is now worth \$5,000. And Mr. Krueger wants to come out there and buy it. He never pays anything for that land. If he gives you \$4,000, that is a pretty good bid. Isn't that right?

Mr. CAMPBELL. I assume it would be a pretty good bid.

Mr. POAGE. What is it?

Mr. CAMPBELL. I assume that it is. I don't know that it is.

Mr. POAGE. You do not assume that he is going to pay you \$50 an acre for the land; do you?

Mr. CAMPBELL. That is out of my field.

Mr. POAGE. I mean, as a practical matter, what do you do? What has been your experience in selling this land? You must have sold some; I mean, of the homestead land.

What has been your experience? You never get anything for the land; do you?

Mr. CAMPBELL. I cannot answer that because I haven't been close enough to those sales.

Mr. POAGE. Is there anybody here that is close to the sales? Does anybody know what has happened?

Mr. BUDGE. The situation that you are talking about is on the reclamation project where the veterans are going in under the Homestead Act. The land is of immediate value. And I think under any reclamation project it can be sold for a substantial price per acre.

In the Grand Coulee project in Washington the land values are very high even before the land is cleared because the water is right there.

Mr. POAGE. That came from the water. What they are doing there is buying the water. They are getting the water rights. And it is that water right they are paying for; isn't it?

Mr. BUDGE. It is a part of the land. Water is there and the land is there, and together they make a very valuable investment for anyone.

Mr. POAGE. Let me start back and go through an illustration and see if we understand it. I do not believe many members of the committee understand it.

Let us assume that I have gone out and entered on 320 acres of land. I have contracted with the Farmers' Home Administration to loan me \$10,000 to put an irrigation project on the land. They put up the money. I build the irrigation works. I went broke. I didn't make my payments to the Farmers' Home Administration. They sold me out.

They spend a year trying to find somebody else who would become an entryman on terms that would be mutually satisfactory to the Departments of Agriculture and Interior.

So far that would be it; would it not?

Let us follow this thing. That is—or is it not right so far? Is that the case?

Mr. CAMPBELL. Yes, sir.

Mr. POAGE. All right.

A year has passed. Then, as I understand it, the next thing is that the Department of Agriculture, through the Farmers' Home Administration, advertises in the local paper they have got 320 acres of Poage land down here for sale. They put it up for sale.

And Mr. Krueger and Mr. McIntire bid on it. And Mr. Krueger comes in and bids \$4,000 on it, which I think probably would be high, and he gets it.

Now then, does he or does he not get that land, if he pays you 20 percent of it, which is \$800 in cash, and he gives you a note for the rest of it, payable over the next 5 years? He has done all of those things. Now he turns around and sells it to Mr. Heimburger. Can he; or does he have to move onto the land?

Mr. CAMPBELL. I think he can move onto the land under the last clause of section 2, Public Law 361, which says that the purchaser of such land shall be entitled to the issuance of a patent or deed upon the completion of all of the requirements with respect to the payment of charges against the land.

Mr. POAGE. That would only relate to the indebtedness.

Mr. CAMPBELL. There are some reclamation charges; some construction charges.

Mr. POAGE. Not if he put in the irrigation plant himself.

Mr. CAMPBELL. There would be on a reclamation entry, but not on the desert-land entry.

In the latter case, the only charge would be the nominal fee that Department of Interior gets for desert-land entry. And the Farmers' Home Administration loan—

Mr. POAGE. That is right. When he pays off that \$4,000, whether he pays it off or whether McIntire pays it off, they are entitled to a patent, aren't they?

Mr. CAMPBELL. If this act is amended to include desert land entry, when the loan was paid off, he would be entitled to a deed.

Mr. POAGE. Whether anybody ever lived on it or not—that is what I want to know. Does the man have to go out there—does he have to go live on the land? That is what I want to know.

Mr. CAMPBELL. As I understand the desert-land entry requirement, it does not contain a residence requirement. I haven't checked that recently. On the reclamation or homestead entry the requirements differ in that respect.

Mr. POAGE. If anyone pays off the charges, the only charges on it is the Interior Department charge for issuing the patent and the \$4,000 which he owes to the Farmers' Home.

When that is paid, whether he ever operates that irrigation system or not, it is his, isn't it?

Mr. CAMPBELL. That is correct.

Mr. POAGE. He has not to do any of these things that are required otherwise. He just gets good title to it, doesn't he?

Mr. CAMPBELL. He does.

Mr. POAGE. Does he get the minerals?

Mr. CAMPBELL. There may be minerals reserved in the patent under the desert-land entry. It is my recollection of the law that any lands on which there is the prospect of minerals, are not classified as available for desert-land entry.

If it was not so classified and there happened to be minerals developed, I think that the minerals would go.

The Department of Interior would issue the patent in those situations.

Mr. McINTIRE. Who issues the patent?

Mr. CAMPBELL. The Secretary of Agriculture would have no authority to issue a patent.

Mr. McINTIRE. If he defaults in the loan?

Mr. CAMPBELL. Even so, the patent would be issued out of the Department of Interior.

Mr. POAGE. That is the bill that you referred to, the 1949 bill?

Mr. CAMPBELL. The 1949 bill.

Mr. POAGE. That requires the Secretary of the Interior to issue the patents when that is done?

Mr. CAMPBELL. Correct.

Mr. BUDGE. Could I make one further comment?

Mr. POAGE. Yes.

Mr. BUDGE. I see no distinction from the practical standpoint between the desert entry situation and an adjacent piece of deeded land.

Mr. POAGE. That is just what I have been trying to find out, whether there is any distinction.

Mr. BUDGE. The land itself is practically valueless, whether it is deeded land or whether someone is coming in to establish a patent, eventually, through a desert entry.

The security which the Farmers' Home Administration has already loaned on in a number of instances out in my State on this deeded land, their security, so far as the land is concerned, is no better than the desert-entry man's right because the land that is involved in two adjacent strips, one belonging to the private owner and the other to the Government, the land itself is practically valueless.

Mr. McINTIRE. Does not this factor come into it? In the case of the deeded land he gets title to it. In the case of the desert entry he has no title. All he has is the possibility of getting one.

Mr. BUDGE. There is no value in the title itself, in the property which is covered by the title. From the practical standpoint in making loans, I see no distinction. I think the security is just as good in the one instance as it is in the other.

Your land becomes of value only after the improvements are placed upon it. It does not make much difference whether you have a mortgage on deeded land or whether you have a mortgage on whatever interest the entryman has.

Mr. HEIMBURGER. Mr. Campbell or Mr. Budge, or both of you, we have gone through this procedure now of putting the lands up for sale, the entry up for sale.

Does the purchaser of whatever you have to sell have to do anything except to pay the purchase price and any other incidental charges against the land in order to obtain good title to it?

Suppose he makes no further effort, does he have to do anything except pay for the land in order to get title?

Mr. CAMPBELL. Under Public Law 361, as now applied to reclamation projects and homestead entrymen, when the land is sold as surplus in liquidation of a Farmers' Home Administration loan, all he has to do is to pay the charges against the land, and does not have to comply with the homestead and reclamation requirements usually applicable to entrymen.

And the same would be true if the amendment was enacted, putting desert-land entry in the same category.

Mr. HELMBURGER. The patent automatically issues when the payment is made and the like?

Mr. CAMPBELL. That is correct.

Mr. POAGE. Any further questions?

If not, we are very much obliged to you, Mr. Campbell, and to you, Mr. Budge. And the committee will pass upon this in executive session.

Let us go back and pick up Mr. Abernethy's bill which is H. R. 1045. Mr. Abernethy is here.

STATEMENT OF HON. THOMAS G. ABERNETHY, A REPRESENTATIVE IN CONGRESS FROM THE FIRST CONGRESSIONAL DISTRICT OF THE STATE OF MISSISSIPPI

Mr. ABERNETHY. Mr. Chairman, I do not think I will take over 5 minutes, unless the committee insists on a longer time.

Mr. Chairman and members of the committee: The purpose of this bill, H. R. 1045, is to simply give permanent status to the Soil Conservation and Domestic Allotment Act.

This act was passed first in 1936 and, as I recall, it was given a 2-year status.

As all members of the committee well know the program has grown tremendously and has proven to be very popular and very useful, as well as very beneficial to American agriculture from one end of the United States to the other.

And, Mr. Chairman, it is one of those programs in which every phase of American agriculture has a profound interest.

Now, when the act was about to expire in 1938, it was continued for 2 additional years. Then came 1940 and it was continued again for 2 additional years. And so on 10 consecutive occasions we have gone through the rather useless motion of continuing this program for 2 years at a time.

Everyone knows, and I think everyone now agrees, that it has become a permanent part of the program for American agriculture.

In the beginning, as I indicated a moment ago, it was not too important, but since that time it has gained tremendous momentum and has become important to every phase of agriculture throughout the country.

It was contemplated in the beginning that the States would take over the program including its administration.

For 21 long years the opportunity has been made available to the States to take over this function. And I think after the great length of time that has passed, everyone will concede that they are not going to take it over.

They might want to administer it, I concede, but they are not going to take over its responsibilities and financing. Otherwise, they would have taken steps to do so long before now.

In my judgment, it would be just as sound to turn over to the States the administration of the many other programs that we have for agriculture, such as the Farmers' Home Administration, or the Soil Conservation Service.

It has been indicated by one farm organization in a letter which the chairman has before him, that this program probably ought to be reviewed every 2 years, and for that reason they raise some question as to whether or not we should enact this bill.

The enactment of the bill would not prohibit the appropriate committee of the Congress from reviewing the program every 2 years or at any other interval.

A further answer to that complaint is, that the program is reviewed, not only every 2 years, but every year, as are all other programs for agriculture.

The reviews are conducted by the Appropriations Committee. That is a distinct function of the Appropriations Committee, to determine whether or not a program is moving along in such a fashion that it would be entitled to further financing by the Federal Government.

So the objection—and this is from the American Farm Bureau—does not impress me too much, because the complete answer to it is that there is a review in the Appropriations Committee annually.

The review is in the nature of determining whether or not the program has been sufficiently sound and is doing a good enough job to justify the appropriation of additional fund for the forthcoming fiscal year.

In conclusion, Mr. Chairman, I have not found anyone that wants to repeal the program. There may be some, but up until now they have not announced themselves in the Congress or in the committee in the 12 years that I have been on this committee. Nor have I heard any announcement to that effect by any Member of the Congress during my entire service here of 14 plus years.

American agriculture is tremendously interested in this program. I believe if any efforts were made to repeal it, it would be overwhelmingly defeated.

So, the simple purpose of my bill is to just nail down and make permanent the program and eliminate the appearance that we make every other year to renew it.

One thing that disturbs me about the renewal feature is that we never get around to it until just before adjournment. Just a few weeks before adjournment we begin to look around and see what we have failed to clean up in the way of legislation. This is one of those things. I am afraid that one of these days when adjournment is confronting us that the issues on the floor of the House may become so controversial, or that legislation may become so heavy, it may seriously endanger, if not defeat, renewal of the act.

The time has come for us to put the program on a permanent basis instead of bringing it up every 2 years and having a perfunctory movement on the floor of extending it.

That is all I have to say, Mr. Chairman, unless there are some questions.

Mr. POAGE. Since you began testifying we have been furnished with a copy of the Department's report on this matter.

Mr. ABERNETHY. I have not seen it. I have the Bureau's letter.

Mr. POAGE. You say you read the report?

Mr. ABERNETHY. I imagine it is a facsimile of the American Farm Bureau letter.

Mr. POAGE. I haven't observed any difference.

Mr. ABERNETHY. They seem to have very good liaison between their two offices, I will say that.

Mr. POAGE. But they both point out that your State is the only State in the Union that has suggested that it desires to avail itself of this to pay for this and so forth.

Mr. ABERNETHY. Well, Mr. Chairman, that was brought to my attention in 1952 that they had by some sort of enabling act down there put themselves in position to take it over, but I haven't found anyone pressing the Department to turn it over to them, particularly the financing of it. I doubt that they will. And furthermore, the Department of Agriculture turned them down.

Mr. POAGE. Are there any questions of Mr. Abernethy?

We will make the report a part of the record at this point.

(The report dated March 4, 1957 is as follows:)

MARCH 4, 1957.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of January 31, 1957, for a report on H. R. 1045, a bill "To amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938."

This Department recommends against enactment of H. R. 1045 in its present form for the reasons stated below following our summary of the bill.

H. R. 1045 provides for striking out all parts of sections 7 and 8 of the Soil Conservation and Domestic Allotment Act, as amended, which authorize administration of the Agricultural Conservation Program through State plans and grants to States and which limit the period within which the Secretary of Agriculture is authorized to develop programs and make payments direct to farmers for the specified purposes.

The proposed amendment of section 388 (a) of the Agricultural Adjustment Act of 1938 is purely technical to bring about conformity with the proposed redesignations of section references in this regard in the Soil Conservation and Domestic Allotment Act, as amended.

Enactment of H. R. 1045 would empower the Secretary to exercise the authority conferred under sections 7-17 of the Soil Conservation and Domestic Allotment Act on a national basis for an indefinite period (without the necessity of seeking legislation every other year to extend the Secretary's authority to administer the program) except with respect to that part of section 16 which was amended by Public Law 1021, approved August 7, 1956, authorizing a Great Plains Conservation Program to terminate on December 31, 1971. Enactment would not require any change from the present method of administering the program.

The following facts are related to the purpose of H. R. 1045:

(1) During the 21 years that States have had authority to take action to administer the Agricultural Conservation Program enabling legislation has been enacted by and is still effective in 24 States and two insular areas. However, only one State plan (from the State of Mississippi) for State operation has been submitted to the Secretary (December 1951) and it was inadequate.

(2) Since the original legislation was enacted on February 29, 1936, the Congress has extended the authorized period of Federal operation of the Agricultural Conservation Program eight different times, for periods ranging from 2 to 5 years. The present authorization will expire on December 31, 1958.

Since section 1 of H. R. 1045, if enacted in its present form, would eliminate all subsection designations in section 7 of the act, the words "and the provisions of section 7 (g)" in the proviso in section 15 of the act also would need to be stricken out.

This Department believes that authority for operating the Agricultural Conservation Program through State plans and grants (if and when States submit acceptable plans), as provided in section 7 (b)-(g), should not be repealed. This appears to be consistent with congressional policy expressed in the Agricultural Act of 1954 which amended section 8 (a) to provide that during the period of Federal operation of the program, "the Secretary shall carry out the provisions specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted." However, it now seems

evident that it will not be possible in the near future for all States to assume the responsibility that was anticipated in 1936 when this provision was enacted. Since it is necessary, therefore, to seek from time to time congressional extension of authority for further Federal operation of the program, the Congress may wish to consider it desirable to amend only section 8 (a) of the Soil Conservation and Domestic Allotment Act, to provide authority for the Secretary to administer the program in each State until such time as the State submits an acceptable plan and assumes this responsibility. The following wording, instead of the provisions of H. R. 1045 in its present form would, we believe, accomplish this change. However, the Department would not wish to deprive the Congress of the opportunity for a periodic review of the program.

"That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended by deleting subsection (a) and inserting in lieu thereof:

"(a) The Secretary shall exercise the powers conferred in this section to carry out the purposes specified in section 7 (a), in any year and in any State for which no State plan has been approved for such State pursuant to section 7: *Provided, however,* that the Secretary shall carry out the purposes specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans."

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

Mr. POAGE. And this is the only program of this kind which the law requires to be renewed every 2 years.

Mr. ABERNETHY. That is right.

Mr. POAGE. This is the only program.

Mr. ABERNETHY. I have no objection personally, to retaining in the law, the provision which would permit eventual transfer to the States. I have no objection to that.

I do not think it will ever be consummated, to tell you the truth about it. If it is transferred to them and they find themselves financially able to take it over and administer it, that suits me fine.

What I want to do and what this committee ought to do is to get rid of this thing of calling this bill up every 2 years on the consent calendar of the House.

Mr. POAGE. Otherwise shouldn't we also require the Farmers Home Administration and these others to be in the same position?

Mr. ABERNETHY. That is the point I want to make.

Mr. POAGE. We do not want them to have to come to us and ask for authority to carry on research every 2 years.

Mr. ABERNETHY. Certainly not.

Mr. POAGE. Would it not be just as logical?

Mr. ABERNETHY. I think it would be just as logical. It would be just as logical.

Mr. McINTIRE. I think perhaps Mr. Abernethy has answered the question I have. There are two parts to this bill, I understand.

One is for the permanent status of the Soil Conservation and Domestic Allotment Act. And the other provision would be to remove and to transfer it to the States.

Mr. ABERNETHY. That is correct.

Mr. McINTIRE. Of the two, the one in which you have the greatest interest is that of permanent status.

Mr. ABERNETHY. That is right.

Mr. McINTIRE. Thank you.

Mr. ABERNETHY. That is right.

I have nothing further, Mr. Chairman.

Mr. JOHNSON. I haven't had a chance to read the report. Does the Department object to the permanent status?

Mr. POAGE. To adopt an amendment which would more or less make the thing permanent unless some State wanted to assume the responsibility.

Mr. ABERNETHY. I haven't read the report.

Mr. POAGE. It just came in since you went on the stand. It was just delivered a few minutes ago.

Mr. ABERNETHY. We requested the report back in January, I think.

It was January 17, I understand.

And evidently, this hearing expedited it.

Mr. POAGE. Of course, that is the point that you are making, that these things always drag on.

Mr. ABERNETHY. That is right.

Mr. POAGE. And there isn't any necessity of having to get caught in the end of the seasons' rush every 2 years. We will have exactly the thing we have had with this report, nearly 2 months go by and you do not get the report.

And, therefore, you finally wind up the last week of the session. Sooner or later we will lose the whole program.

Mr. ABERNETHY. The facts are that the Appropriations Committee makes its appropriation every other year in anticipation of the act being renewed. They will do the same thing next year if the law stays as it is. Actually unless we renew it there is no authority on the statute books to make that appropriation.

So they make the appropriation in anticipation of the legislative authority being continued. They do that every other year.

There is no question in the minds of the Appropriations Committee but that it is going to be renewed. There seems to be no question in the minds of anyone that it will be renewed. I think we ought to get rid of this thing of bringing it up in the last days of the session every 2 years. That is the only objective in this legislation.

Thank you, Mr. Chairman.

Mr. POAGE. Thank you, Mr. Abernethy. Mr. Williams, do you have anything to say on this?

(No response.)

Mr. POAGE. Is there somebody here from the ACP?

Mr. KOGER. I am Administrator of the Agricultural Conservation Program. I have a statement.

Mr. POAGE. We will be glad to have you make a statement.

STATEMENT OF PAUL M. KOGER, ADMINISTRATOR AGRICULTURAL CONSERVATION PROGRAM SERVICE, DEPARTMENT OF AGRICULTURE

Mr. KOGER. Thank you, Mr. Chairman and members of the committee, I am glad to have this opportunity to discuss with you the bill H. R. 1045. This bill would repeal that part of the Soil Conservation and Domestic Allotment Act, as amended, which authorizes

administration of the agricultural conservation program through State plans and grants to States.

The effect of it would be to withdraw the offer to States to administer the program and result in the administration of the program as a Federal operation for an indefinite period.

If H. R. 1045 were enacted it would not change the present method of administering the agricultural conservation program.

The Department is not in favor of the enactment of H. R. 1045 in its present form. We do not believe that the Congress should change existing legislation so as to deny all States any opportunity to participate in administering the program.

While no State government operation has been undertaken up to this time, there may be situations where State administration would be appropriate.

State governments may wish to contribute either appropriations, services or both toward administration and operation of the program in their States, especially for conservation benefits which are particularly desirable from a State standpoint.

It is our feeling that the Department should stand ready at any time to join with and encourage any State that can carry out the program as efficiently or more efficiently than can be done through Federal operation of the program.

This position, I believe, is consistent with the congressional policy expressed in the Agricultural Act of 1954 which amended section 8 (a) to provide that during the period of Federal operation of the program, the Secretary shall carry out the program through State administration as rapidly as adequate State laws are enacted and satisfactory State plans are submitted.

It is for these reasons that we oppose the enactment of H. R. 1045 in its present form.

While the Department recognizes the necessity under present procedures for congressional extension of the authority from time to time to enable the Secretary to carry out an agricultural conservation cost-sharing program with farmers, it would not wish to deprive the committee of the opportunity for a periodic review of the agricultural conservation program.

It now seems evident that it will not be possible in the near future for all States to assume the responsibility that was anticipated in 1936 when the provision for State administration was enacted.

Under the procedure which has been followed since then, it has been necessary to seek from time to time congressional extension of the authority for further Federal operation of the program.

During the 21 years that States have had authority to take action to administer the agricultural conservation program, enabling legislation has been enacted by and is still in effect in 24 States and 2 Insular areas.

However, during that period only one State plan for State operation was submitted. That submission was in 1951 and was rejected by the Department on January 5, 1953.

Since the original legislation was enacted on February 29, 1936, the Congress has enacted necessary extensions of the authorized period of Federal operation of the agricultural conservation program.

The extensions have been for periods ranging from 2 to 5 years. The present authorization for Federal operation will expire on Decem-

ber 31, 1958. It will therefore be necessary to seek congressional action with respect to this provision prior to that expiration date.

The program for each year is formulated on the basis of a specific advance Congressional authorization granted in appropriation acts before the program for the year is announced by the Secretary.

It is, therefore, our recommendation that the Congress retain the authority for States to administer the program after acceptable plans are submitted and approved and which would otherwise authorize the Secretary of Agriculture to administer the program in any State in accordance with present procedures.

In our report to the committee on this bill, we included language which we believe would accomplish retention of authority for administration by any State submitting an acceptable program.

Mr. Chairman, I appreciate this opportunity to appear before your committee to discuss this proposed legislation. Several other representatives from the Department are here with me. We will be glad to supply any additional information you desire or answer questions which you may have.

Mr. ABERNETHY. The Department does not oppose the program; does it?

Mr. KOGER. If Congress is satisfied.

Mr. ABERNETHY. I mean the program, not the bill?

Mr. KOGER. No, sir; they do not.

Mr. ABERNETHY. It is in favor of the program?

Mr. KOGER. Yes.

Mr. ABERNETHY. And you have been in your particular position only a short while, of course, but so far as you know the Department has never opposed the program?

Mr. KOGER. That is right.

Mr. ABERNETHY. Since its enactment in 1936. And so far as you know the Department has never interposed the first objection to the continuation of this program every 2 years by a new act?

Mr. KOGER. That is correct.

Mr. ABERNETHY. And the Department will not oppose a bill next year or even now extending it 2 additional years? It would not, would it?

Mr. KOGER. No, sir.

Mr. ABERNETHY. It would not?

Mr. KOGER. In my opinion, it would not.

Mr. ABERNETHY. Would it oppose it 4 years from now?

Mr. KOGER. Well, as far as I know, no, sir.

Mr. ABERNETHY. So far as you know. So, so far as you know right now, the program is just as permanent, so far as the Department feels about it, as is the soil conservation program or the Farmers' Home Administration, or any other program that we now have for agriculture?

Mr. KOGER. Yes, sir.

Mr. ABERNETHY. Though it has a short life status which has to be renewed every 2 years. I am sure that the Department is not telling the committee that the States have made an earnest effort or even the slightest effort to take over the administration and financing of the program; have they?

Mr. KOGER. So far as I know, only one State has submitted a plan.

Mr. ABERNETHY. That was my State?

Mr. KOGER. That was Mississippi; yes, sir.

Mr. ABERNETHY. They submitted their plan when?

Mr. KOGER. In 1951.

Mr. ABERNETHY. And what happened to it?

Mr. KOGER. It was rejected.

Mr. ABERNETHY. It was rejected. And you rejected it?

Mr. KOGER. The Secretary of Agriculture, Mr. Brannan.

Mr. ABERNETHY. Does not that put the Department in a rather untenable position, to say we will wait for the States to submit a plan; and when a State submits a plan, they have turned it down, and yet you want to continue the program more or less as is, on the theory that they ought to have a right to take it over?

Mr. KOGER. Well, with this particular plan I do not recall the reasons why it was rejected, but evidently it was not acceptable.

Mr. ABERNETHY. It was not acceptable?

Mr. KOGER. No.

Mr. ABERNETHY. So the Department found itself in the position of asking that, "we do not amend this law, let us not take this out, let us give the States an opportunity to take it over," and when a State submits a plan, and the only State in the 48 States that submitted one is my own, the Department rejects it.

What next would the Department expect of the State of Mississippi and other States in order to present something that they would accept?

Mr. KOGER. We hope that States will submit plans that will be acceptable.

Mr. ABERNETHY. We have been so hoping for 21 years. That is right; isn't it?

Mr. KOGER. Since 1936.

Mr. ABERNETHY. Since 1936?

Mr. KOGER. Yes.

Mr. ABERNETHY. Does the Department have any idea when the States might submit a plan that might be acceptable?

Mr. KOGER. No; we do not.

Mr. ABERNETHY. You do not?

Mr. KOGER. No.

Mr. ABERNETHY. So, so far as the Department knows right now, the States may never submit a plan that will be accepted?

Mr. KOGER. But the Department does not want to deprive the States of the opportunity of submitting a plan.

Mr. ABERNETHY. That is right. Would the Department be agreeable to the submission of a plan to take over the Soil Conservation Service?

Mr. KOGER. No, I do not think so.

Mr. ABERNETHY. You do not think so. Would it be agreeable to the submission of a State plan to take over the Farmers' Home Administration?

Mr. KOGER. I would not think so.

Mr. ABERNETHY. I would not, either. I think you are right. Would it be agreeable to submitting a plan to take over the entire Department of Agriculture by the States?

Mr. KOGER. No, sir, I do not think so.

Mr. ABERNETHY. I do not, either. Then why should we go along piecemeal like this in anticipation of the States doing something which they have never done up until now for 21 years, and say,

"Well, we think we ought to hold this opportunity out for them, they have never done it but they may do it in the future?" Why should we do that?

Mr. KOGER. That is something that I cannot answer for the Department.

Mr. ABERNETHY. I will say this, and then I am through: The Department does regard this as an important thing?

Mr. KOGER. Yes, sir.

Mr. ABERNETHY. I am sure you do. They regard the program as being one of such benefit to American agriculture that they would not want to eliminate it or dispose of it. You do feel that it is a sound program?

Mr. KOGER. Yes, I do.

Mr. ABERNETHY. That is all.

Mr. PoAGE. If any State were to submit a plan that the Department would approve, is it not reasonable that they would submit that to this committee and in all probability get rather prompt action?

In other words, it would not foreclose the right to come up here with that and submit it.

Mr. ABERNETHY. They seem to operate in the reverse. I have never heard of one from down in my State submitting a bill trying to take over the program.

Let me ask this question: Is the objection premised on the desire of the Extension Service to take over the administration of this program?

Mr. KOGER. I do not think so.

Mr. ABERNETHY. You don't think so?

Mr. KOGER. No, sir. I have no knowledge to that effect.

Mr. ABERNETHY. That is all.

Mr. McINTIRE. In relation to the States that have passed enabling legislation, is there any part of the administrative work of this program which comes under the jurisdiction of the enabling legislation in any one of those States?

Mr. KOGER. No, sir.

Mr. McINTIRE. Then it is different from the enabling legislation of the soil-conservation district, is it not?

Mr. KOGER. Yes.

Mr. McINTIRE. That program is administered at the Federal level and goes through the soil-conservation districts which are set up through the enabling legislation at the State level?

Mr. KOGER. The ACP program is administered through county ASC committees and State committees.

Mr. McINTIRE. But there is a difference between the ASC and the SCS programs where the States do have enabling legislation, and administratively you move through the vehicle of the soil-conservation districts which are State and not Federal?

Mr. KOGER. Yes, the ASC committee.

Mr. ABERNETHY. I have one other question.

As I understand the attitude of the Department, it has no objection to putting the program on a permanent basis, provided we retain a provision that would in the future permit the States to take it over?

Mr. KOGER. Providing that this committee would be satisfied with the review that is given each year by the Appropriations Committee.

In other words, we do not want to deprive the Congress of the right to review the program from time to time.

Mr. ABERNETHY. I do not recall any particular review we have had of the program in this committee. That has been a function of the Appropriations Committee.

Mr. POAGE. Are there any further questions?

Mr. HAGEN. The only complaint of the ACP program which I have heard is that too much of the payments are made for what might be determined to be practices which go into production of annual crops, rather than having any long-range impact on true soil and water conservation.

Presently does the Secretary have enough authority to control the direction of these payments?

Mr. KOGER. Yes, I would think so. We have the legal division represented here.

STATEMENT OF W. K. SCHOONOVER, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. SCHOONOVER. Mr. Chairman, the Secretary has very broad authority. He can impose whatever conditions he thinks are necessary and appropriate to see that the program is carried out consistent with the purposes of the act. And any condition consistent with those purposes that he wants to put in the regulations, certainly it is within the legal authority he has.

Mr. HAGEN. To amplify that, for example, a lot of these payments go for putting fertilizer on an annual crop. It does not accomplish any long-range conservation or soil or water.

Mr. SCHOONOVER. I think perhaps the program people ought to answer that, but I do not believe that is correct. We would not pay for fertilizer for an annual crop. I expect Mr. Ritchie had better answer that.

STATEMENT OF F. A. RITCHIE, DEPUTY ADMINISTRATOR, AGRICULTURAL CONSERVATION SERVICE

Mr. RITCHIE. Mr. Chairman:

As of now, sir, the only payment that is made for fertilizer is for that which is supplied in connection with the establishment of conservation cover. And generally that is for cover that occupies the land for some time.

There are some annual-type covers that have to be established in the summer or in the fall, but those are not crops to the extent that the farmer sells the product of that planting. Those are annual legumes and grass. They are planted to protect the land from wind or water erosion over the summer or the winter.

Most of the fertilizer applications are in connection with establishing long-term cover, long-term legumes, or grass seedings which bring about a change in the land use and keep it tied down for a long time.

Mr. HAGEN. I am glad to hear that.

Actually, the way these practices originate in given States is that the local State ASC committee makes a recommendation as to what they will make a payment on. It has to be counterapproved by the Secretary himself. Isn't that correct?

Mr. RITCHIE. Yes, sir; that is correct.

Mr. HAGEN. The Secretary does have complete control of the program?

Mr. RITCHIE. Yes, sir; a national program is developed each year for the practices that the Department considers of sufficient merit to justify cost sharing.

From that program the State ASC committee, the State conservationist of the Soil Conservation Service and a representative of the Federal Forest Service in consultation with the other State and Federal agencies that are interested in conservation in the State develop a State program.

From that State program a similar group develops a program within each county.

So that the practices are controlled by the national office.

Mr. POAGE. Are there any further questions?

If not, we are very much obliged to you gentlemen.

The committee will take this bill under consideration. And we will pass to the next one.

Actually, the next bill is a bill that was introduced by Mr. McIntire, Mr. Avery, Mr. Weaver, and myself. But I see that Mr. Sikes has been waiting a long time. It is all right with you to pass on and take out of order Mr. Sikes' bill, H. R. 5497?

Mr. McINTIRE. Perfectly all right.

Mr. POAGE. We will hear from you, Mr. Sikes.

STATEMENT OF HON. ROBERT L. F. SIKES, A REPRESENTATIVE IN CONGRESS FROM THE THIRD CONGRESSIONAL DISTRICT OF THE STATE OF FLORIDA

Mr. SIKES. Mr. Chairman, that is very considerate and I do appreciate your thoughtfulness.

The chairman, and the committee of course, have been very much interested in the Watershed and Flood Prevention Act, and have contributed very substantially toward the success of that act.

And I am sure that you agree that it is highly important legislation.

I have introduced H. R. 5497 which is an amendment to the Watershed and Flood Prevention Act which would enable the Federal Government to participate in financing projects of a recreational nature when those projects provide a major portion of the income of the immediate vicinity of the project.

In my district, and I am sure this also is true in many other districts, there are communities whose economic conditions are directly or indirectly based on recreational activities and the businesses which stem from those recreational activities.

I feel that these communities should not be discriminated against for their lack of other sources of income such as agriculture.

On the contrary, they should be given the same privilege of financial participation in the watershed program as other communities with economic factors whose development is assisted by Federal financing.

In connection with this, Mr. Chairman, I would like to quote from the Presidential Advisory Committee report on Water Resources Policy, dated December 22, 1955. Page 31 of that report reads as follows:

The committee has considered many cost-sharing proposals and has weighed carefully the elements of fairness to all concerned and precedents for sharing the cost of other programs.

Further, it gave due recognition to the types of benefits accruing to individuals, groups of individuals, local and State governments, and the Nation as a whole.

It was unable to discover for all cases a completely equitable yet practicable procedure for cost sharing based solely on the principle of sharing costs in proportion to benefits.

The committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits, and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

On page 32, the policy report states:

The committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety, and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein. Those of national significance should be financed entirely by the Federal Government.

You see, gentlemen, the amendment that I am offering conforms with the recommendation of the President's Committee.

The amendment which I offer will have an important effect throughout the Nation, and I think would be of great benefit.

Quite frankly, my interest in it was activated by a situation which has arisen in my own district where we are seeking a watershed project for the Dead Lakes area which has long been famous for fresh-water sport fishing.

In recent years a low-water table has virtually destroyed that once-important industry which always has been the chief source of income for the residents of the area.

Now you go out to that area and you will find 10 to 20 boats a day on the huge lake which covers a substantial part of two counties. For comparison of better times there are pictures in existence taken from aircraft in the heyday of this area which showed as many as a thousand boats on the lake.

Now the industry is virtually gone. An additional detriment to a constant water level in this area has been provided by the construction of the Jim Woodruff Dam on the Apalachicola River. The level of the river has considerable influence on the level of the water in the Dead Lakes and floodwaters which are impounded above the dam are not now available to help restore the needed water level in the Dead Lakes.

As an illustration of this, the average gage reading prior to the construction of the dam was 5.9 feet. Since the dam has been built the gage has fallen to an average of 3.1 feet.

A watershed project which would provide a Tumbler Dam for Dead Lakes and maintain a constant water level would be a comparatively inexpensive item. Because the lake has a narrow mouth the project would be built at an estimated cost of \$150,000.

This is one type of recreational project that would benefit from this legislation. There are others which are equally important to their communities.

Now these projects cannot participate because the present law does not permit contributions by the Federal Government to the projects that are based principally on recreation. Obviously, recreation in many areas in the Nation is just as important a source of livelihood to

the people that live there as would be agriculture in other areas. However farmers also have an important stake in this amendment.

I trust that the amendment will be approved so that recreation when it provides the major source of income for an area can be placed on the same basis as those activities which are now authorized for Federal financial participation in watershed projects.

Of course, I will be glad to answer any questions the committee may wish to ask.

I would like to indicate the presence here of the representatives of the United States Department of Agriculture, representatives of the Florida State Game and Fresh Water Commission, and of the Federal Fish and Wildlife Service.

And Mr. Matthews, a member of your committee who is cosponsor of the important watershed amendments which Congress enacted in the last session, would like to be heard.

Mr. POAGE. Very well. You may proceed.

STATEMENT OF HON. D. R. (BILLY) MATTHEWS, A REPRESENTATIVE IN CONGRESS FROM THE EIGHTH CONGRESSIONAL DISTRICT OF THE STATE OF FLORIDA

Mr. MATTHEWS. Mr. Chairman, I appreciate having this opportunity, immediately following my colleague's testimony, to say that I share his views.

I appreciate the excellent statement that he has made. And I certainly hope our committee will give favorable consideration to his bill.

I just wanted to make that statement. I have no particular questions to ask.

Mr. POAGE. Mr. Sikes, it seems to me that there is a reference here to cost. Do you propose to have the Federal Government pay all of this cost?

Mr. SIKES. Not to pay all of the costs but to pay in the same proportion that they are now paying for agriculture and flood-control projects. There would be cases where the Government would pay all of the costs.

Mr. POAGE. Under a bill we passed last year it would provide that the Federal Government would pay all of the reclamation costs.

Mr. SIKES. It is my belief that the Government would participate percentage-wise in the same manner as it does at present.

Mr. JOHNSON. The cost of the dam is not now a part of that, is it?

Mr. POAGE. Mr. Heimburger says he has that now.

Mr. HEIMBURGER. The amendment that the gentleman's bill would make is to a section of the bill which is amended by your bill. And the relevant provision now reads—section 4 of the act:

The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

and then there is a (1), and here comes number (2)—

(2) assume such proportionate share of the cost of installing any works of improvement involving Federal assistance as may be determined by the Secretary to be equitable in consideration of anticipated benefits from such improvements—involving Federal assistance which is applicable to the agricultural phases of the conservation development and disposal of water.

And at that point then you put in the words "or for recreational or fish and wildlife development."

It would fall within that provision of the act which requires the assuming of part of the cost by the local organizations.

Mr. SIKES. That is the intention of my amendment.

Mr. POAGE. It requires the local people to assume a portion of the cost?

Mr. SIKES. I understand that.

Mr. POAGE. It does not affirmatively require the Federal Government to assume a portion of that cost; is that right?

Mr. HEIMBURGER. I think the contrary is true. The necessary implication is that the Federal Government would assume a part of the cost.

Mr. JOHNSON. Wouldn't it be proportioned to other agricultural acts?

Mr. SIKES. It is the intention of the amendment to make recreation proportionate with agriculture in Federal benefits.

Mr. HEIMBURGER. Mr. Sikes, this bill amends a provision of a former bill.

Mr. SIKES. That is correct.

Mr. HEIMBURGER. It leaves out one of the changes, that it does not amend the overall authorization section of the act which is section 2. I believe your previous bill did that.

Have you determined upon consultation with the people who are familiar with the administration of this act that it is not necessary to enlarge the general authorizing clause?

Mr. SIKES. That is the reason for the reintroduction of the bill in the present form. It was after consultation with the agency of Government which will have to administer the bill, and upon their recommendation, that the present changes were made.

Mr. HEIMBURGER. Thank you.

Mr. POAGE. Are there further questions of Mr. Sikes?

Mr. McINTIRE. It seemed to me, Mr. Chairman, when we were considering your bill, we broadened the general area of application of that legislation a year ago.

Mr. POAGE. That was added in order to enable the Soil Conservation Service to participate.

Mr. McINTIRE. Do I understand that it is the intention of this bill, Mr. Sikes' bill, to broaden the general application of the whole legislation to take it out of the field of agriculture and bring it over into the field of recreational and fish and wildlife management?

Mr. SIKES. It is intended only to include recreational projects and those involved in fish and wildlife activities on the same basis as agriculture under existing legislation.

That is the substance and intent of the bill.

Mr. McINTIRE. Is it intended by this amendment that the participation on the part of the Federal Government in the recreational and fish and wildlife development practice shall be in relation to agriculture, or are these to be taken separately and apart from agriculture?

Mr. SIKES. These are to be taken separate and apart from agriculture. There are areas where agriculture is of very little consequence, but where recreational activity may be the major source of income. This amendment as I said in my statement, is based directly on the recommendations of the President's Committee.

Mr. McINTIRE. What I am trying to develop was that my understanding of the Watershed Protection and Flood Prevention Act was that it is related to projects concerning agriculture and there is a tie-in there.

Why I first raised the question on the legislation last year was in relation to the disposal of water. My recollection of that, too, was that it was tied to the agricultural work.

Mr. JOHNSON. That was one of the ideas that was developed along with it.

Mr. POAGE. Any further questions?

Mr. JOHNSON. Under last year's legislation the recreational benefits could be developed so long as they went along with the watershed works.

This particular legislation sets that up as a separate project. Am I right, Mr. Sikes?

Mr. SIKES. It is my understanding at the moment that the Federal Government cannot participate directly in a development of a recreational project.

Mr. JOHNSON. Unless it goes along with the watershed and flood prevention projects. As an aftermath in setting up one of these projects you can develop it now for recreational projects along with it.

Mr. SIKES. Yes.

Mr. JOHNSON. You want to set it up as a separate thing?

Mr. SIKES. I want recreational projects considered separately and apart from agriculture where they constitute the principal income.

Mr. POAGE. Do you contemplate asking at the same time for a change in the flood-control law?

Mr. SIKES. I have no present plans for any legislation other than this.

Mr. HAGEN. There are proposals along that line.

Mr. POAGE. This is flood prevention as distinguished from flood control.

Do you contemplate seeking to put the same formula in the authorization for flood control?

Mr. SIKES. Not at this time.

Mr. POAGE. Do you think it should be done?

Mr. SIKES. Well, frankly, I haven't progressed that far, Mr. Chairman, in my thinking on the matter. It would seem there is justification for it.

Mr. POAGE. Any further questions? If not, we thank you very much.

Mr. SIKES. Thank you.

Mr. POAGE. Next is Mr. Don Williams.

Do you have a statement to make?

Mr. WILLIAMS. Yes.

Mr. POAGE. You may proceed.

STATEMENT OF DON A. WILLIAMS, ADMINISTRATOR, ACCOMPANIED BY CARL B. BROWN, DIRECTOR, PLANNING DIVISION, SOIL CONSERVATION SERVICE

Mr. WILLIAMS. Mr. Chairman, I have a brief statement which will contain a little bit of repetition of some things that were just mentioned here with reference to the water resources policy recommendations that the President sent to the Congress.

We appreciate this opportunity to testify on H. R. 5497, a bill to amend the Watershed Protection and Flood Prevention Act.

Section 4 (2) (a) of the Watershed Protection and Flood Prevention Act, as amended, provides that—

The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall * * * assume * * * such proportionate share, as is determined by the Secretary to be equitable in consideration of direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water * * *.

H. R. 5497 would add at this place "or for recreational and fish and wildlife development."

Thus, recreation and fish and wildlife developments would be eligible for some degree of Federal cost-sharing as a part of watershed projects if the Secretary finds that they produce other than direct identifiable benefits.

The provisions of H. R. 5497 are consistent with the recommendations contained in a Report of the Presidential Advisory Committee on Water Resources Policy which was transmitted to the Congress by the President on January 16, 1956.

Under the heading of "Recreation and Fish and Wildlife" this report states (p. 32):

The committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein.

The general cost-sharing procedure described in this report (p. 31) is as follows:

The committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

The division of costs between Federal and non-Federal entities should be equitably determined on the basis of the degree and character of the respective interests, and the ability to identify direct beneficiaries.

Where the project is primarily of a local character, and where beneficiaries are readily identifiable, the Federal Government's contribution should be limited, with the non-Federal interests bearing a substantial portion of the construction costs of the project as well as the replacement maintenance, and operation costs.

Printed copies of H. R. 5497 have not yet become available to the Department and the Bureau of the Budget. It has not been possible, therefore, to establish any policy position on this proposed amendment.

As a matter of principle, however, the Department would take the view that recreation and fish and wildlife benefits of more than local character must be fully demonstrated before any Federal cost-sharing would be provided for installation of works of improvement.

Significant benefits of national or regional character should accrue to justify Federal cost-sharing. The Department reaffirms its position that the costs of producing purely local benefits should be borne by local organizations and that benefits which are confined within the limits of a State should be the primary responsibility of State government and local organizations.

Moreover, in the selection of projects for Federal assistance the Department would ordinarily give lower priority to projects in which recreation and fish and wildlife were dominant purposes than to those projects which were primarily for watershed protection, flood prevention, and agricultural water management.

On the other hand, it is our conviction that all types of water-management needs should be provided for in watershed projects. Where recreation and fish and wildlife are important elements in multiple-purpose watershed protection and development, they should be given full consideration in keeping with the potential benefits which may stem from them.

I might add to that, Mr. Chairman, that in several of the Public Law 566 projects that are now in the watershed planning stage that there are a number of recreational interests and fish and wildlife interests involved, and that even though the present act does not permit through the cost-sharing provisions in the Federal Government sharing in the cost of recreational and fish and wildlife purposes, that features of programs desired by local people are being included in the watershed plans even though they are being paid for by other than Federal Government sources.

Mr. Brown is here with me, who is more conversant with the details of some of these than I am. Perhaps between us we can answer some questions.

Mr. POAGE. Mr. Brown, do you have any statement to make?

Mr. BROWN. No, sir, I do not.

Mr. POAGE. Are there any questions of either?

Mr. HEIMBURGER. At the present time you say you can include facilities for or related to fish and wildlife and recreation as part of a project undertaken under this, is that correct?

Mr. WILLIAMS. That is correct.

Mr. HEIMBURGER. If they are included at the present time. However, if they are not included they can be included only on the basis that the local agency must seek the inclusion of such on the basis of national interest.

Mr. WILLIAMS. That is correct. You see, the projects developed under Public Law 566 are not Federal projects but local projects. Therefore, the watershed plans that are developed are local plans and they have the right to include anything in those plans that they choose to include.

The financial participation must be limited by the purposes of the legislation as it stands at any given time.

Mr. HEIMBURGER. What recreational or wildlife projects costs would be considered of such importance to the national interest where the Federal Government would participate in the cost of such national interest?

Mr. WILLIAMS. That is a little difficult to accurately define. However, there are benefits of a secondary nature that are still tangible benefits that accrue to an entire area, which have a degree of general public interest, as contrasted to something which would be purely of local benefit such as local sales of sporting goods or something of that sort.

So I think that the given situation would have to be appraised to determine what percentage or what degree of general public interest there would be involved.

I doubt that any specific formula could be made to apply to a number of different cases.

Mr. HEIMBURGER. I know this calls for a little expression of opinion on your part. But, do you suppose that if this were in the law that most of the proposed recreational or fish and wildlife projects would have enough national interest or regional value that you would feel compelled to participate in the cost?

Mr. WILLIAMS. I think that a fairly high percentage of them would have some degree. But I think many of them would probably not.

Mr. HEIMBURGER. In your opinion, if this bill were enacted, would this enable you to establish a project under the act solely for the purposes of development of fish and wildlife or recreational and wildlife programs?

Mr. WILLIAMS. It is my opinion, Mr. Heimburger, that the basic purpose of the act is one of watershed protection, of land treatment, supported by supplemental measures for the purposes of flood prevention and for agricultural waters use.

If the fish and wildlife and recreational purposes were added to the agricultural purposes it would not change the requirement of the act, the basic requirement of the act, of a watershed treatment or watershed protection activity, for watersheds up to 250,000 acres in size.

So it would seem to us, that while they might not be specifically excluded it would be a matter of essentially low priority with respect to the total purposes.

Mr. POAGE. Let me ask, how much money did you ask for this year for the flood prevention program?

Mr. WILLIAMS. The sum of the 566 activities and the pilot projects which are still in operation, I believe was \$25½ million for the 1958 budget.

Mr. POAGE. Now then, if you add the recreational projects how much money do you anticipate that would add to your needs?

Mr. WILLIAMS. I do not know whether we have any estimate on that or not.

Mr. POAGE. If we passed this bill, would you ask for a supplemental appropriation? If you do not ask for a supplemental—let the record show that Mr. Brown said "no," by shaking his head.

I will ask you. You can answer it on the record and get it down rather than shaking your head.

If we pass this bill, will you ask for a supplemental appropriation?

Mr. WILLIAMS. I seriously doubt the Department would ask for a supplemental appropriation.

Mr. POAGE. If you do not ask for a supplemental appropriation, then will you take the money that you have already felt that you need for agricultural products, to develop recreational projects?

Mr. WILLIAMS. Mr. Chairman, the budget estimate that is now before the Congress for this watershed activity is projected on a certain number of watersheds that are anticipated to be authorized for operations to and including 1958 fiscal year.

Those projections have been made on a type of program which does not include Federal expenditure for recreation, fish and wildlife.

So to the extent that there were additional increments for other purposes added, it would either reduce the amount of funds available for the other purposes or require an additional amount of funds beyond those purposes.

Mr. POAGE. That is what I was afraid of. It would make me feel better about this bill if you would ask for supplemental appropriations to pay the bill. You certainly have no fat in your request for flood prevention projects, have you?

Mr. WILLIAMS. That is correct.

In view of the fact that the executive branch has not taken a position on this particular legislation, from the standpoint of legislative authority, I simply do not know whether or not there would be a request made for a supplemental.

But we would be faced with that kind of a problem.

Mr. POAGE. In all fairness, if you recommend the bill, shouldn't you in all fairness ask for money to pay the bill rather than to start these projects?

Mr. WILLIAMS. I suspect that if the report on the bill by the executive branch, including the Bureau of the Budget were favorable, that that sort of anticipation would be present.

Mr. POAGE. Well, I think you can understand while I am very friendly to the recreation projects, I do not think that we should propose something here that will reduce the amount of money that is available to carry on this program.

Mr. BROWN. Mr. Chairman, I believe there is one aspect that should be fully understood, that the amendment as enacted last session, Public Law 1018, provides now the full authority for fish and wildlife and recreation as well as municipal water supply and any other phases of water management.

Mr. POAGE. I know it does. But it provides, Mr. Brown, that the city or the communities that want those features in their program, will pay the cost of it.

Mr. BROWN. It provides cost sharing for structural measures into three categories.

For flood prevention the Federal Government pays all of the cost.

For nonagricultural purposes the Federal Government pays none of the costs at present which includes municipal supplies, and so forth.

Mr. POAGE. That is right.

Mr. BROWN. For agricultural water management, mainly irrigation and drainage it pays on the basis of the proportion of benefits as described.

This amendment would simply take out of the category of non-agricultural purposes and put it up into the category of agricultural water management.

The Department would still have full control, of course, on the selection of projects—the administrative selection of projects, as between those that had different purposes dominant—would still be a matter of administrative control.

This amendment would not change the conditions under which the Department would give priority.

Mr. POAGE. I know that but if you make this amendment effective—if it does anything—if it does anything at all, it is going to increase the expenditure of the Federal Government.

Mr. BROWN. If the Department should choose to give assistance on and recommend for approval those projects which had substantial recreational interests in them, it would involve a higher cost to the Federal Government.

Mr. POAGE. And less money for the agricultural phases.

Mr. BROWN. That is right.

Mr. POAGE. Which means we would slow down the program. I haven't any objection at all to the recreational features. I think they are good. I think they are fine.

But I don't think you ought to come in here and reduce the already very meager sums that you have for agricultural purposes. And that is exactly what this will do, if you leave it as it stands, won't it?

Mr. WILLIAMS. It would be my opinion, Mr. Poage, that both the executive and the legislative appropriations branch of Congress would have to give serious consideration to the impact of this and the availability of funds, if that sort of legislation were passed.

Mr. POAGE. I know. But I don't want to pass a bill which says for us to reduce this activity which we all think is good, and then just hope that Mr. Whitten's committee will come along and give some additional money. In fact I would be afraid that the Department of Agriculture would come down and say, "Do not give it" because that is what I gather from your testimony, that we cannot increase the budget—the President has said so—and therefore, you cannot come down here and say to Mr. Whitten, "We are going to need some more money."

And the result is that when Mr. Whitten asks if you need some more money you will have to say, "Under the recommendations of the President's budget we cannot suggest that we need any additional funds."

And Mr. Whitten then is going to say, "Why, of course, I will not give you more money if you do not want it."

And the result will be that you are going to stop work on the agricultural aspects of some watershed project.

It either will do one of two things: The bill will be utterly meaningless because you will not approve any recreational projects or you will take the money out of agricultural projects.

Does it not simmer down to that?

Mr. WILLIAMS. Yes, it becomes a competitive basis for the use of available funds.

Mr. POAGE. That is all I have to say.

Are there any further questions?

Thank you gentlemen very much.

The committee will consider this bill in executive session later.

Mr. SIKES. I notice the time is running short but there are here representatives from the Florida Game and Fresh Water Fish Commission.

Mr. POAGE. I beg your pardon. Our time is running very short but we do not want to cut off any witnesses. Who would you like to call?

Suppose you take over and call your witnesses.

Mr. SIKES. Thank you very much, sir. It would be helpful if we hear from Mr. Earl Frye, Assistant Director of the Florida Game and Fresh Water Fish Commission.

STATEMENT OF EARL FRYE, ASSISTANT DIRECTOR, FLORIDA FISH AND WILDLIFE COMMISSION

Mr. FRYE. Gentleman, I am quite certain that there are at least a million fishermen in the State of Florida that find it difficult to understand why the Federal Government consistently ignores recreational values in these engineering projects. It is a situation that we cannot understand.

In Congressman Sikes' particular situation in Dead Lakes, it is an important watershed, water conservation area there.

While we have general interest in this amendment because of its widespread potential value for recreational projects throughout the State of Florida, I have some specific information which should help to show the importance of recreational activities in the case of the Dead Lakes watershed project referred to by Congressman Sikes.

In 1954-55 the Game and Fresh Water Fish Commission completed a survey based on interviews of fishermen, fish camp operators, and counts of fishermen using Dead Lakes. From this survey it was calculated that there was at that time an average of 39,946 man-days of fishing on Dead Lakes per year. We have no figures or cost per day of fishing for Dead Lakes itself, but such figures are available for other parts of the State which show an average cost of \$7.24 spent by a fisherman for a day of fishing. Combining the number of fishermen days with this average cost per day results in an estimate of \$289,209 per year spent by fishermen in the Dead Lakes Area.

We feel that this is a conservative evaluation of fishing in the Dead Lakes area for two particular reasons: At the time this survey was conducted, the Dead Lakes had already begun to suffer from the protracted drought we have had in northwest Florida and fishing conditions were not as good as could be expected with the optimum water level. Secondly, it is believed that the cost per day of fishermen would be higher on Dead Lakes than the \$7.24 figure used in these calculations because of the unusually high percentage of non-resident fishermen normally utilizing Dead Lakes.

We are, of course, not in position to accurately predict the economic value of fishing in Dead Lakes in the event the water levels were maintained at optimum conditions by the proposed dike. Nevertheless, there isn't the slightest doubt in our mind that with such optimum conditions and considering the increasing human population and demand for recreational facilities, the annual value of fishing in Dead Lakes would exceed one-half million dollars. In small counties, such as Gulf and Calhoun, an expenditure of one-half million dollars per year obviously has an important economic impact upon the community.

We need the water for watershed management program. And yet, under the present law, we are unable to recognize officially the major use of that water which is for recreation.

I am quite certain that the sportsmen of the entire nation feel that way about it.

Mr. POAGE. Let me ask you this, you can understand my concern about taking the money away from agricultural projects.

Mr. FRYE. Yes, sir, I do. But I do not think that it is quite that cut and dried.

I believe that if the official recognition were given to recreational projects that it would not necessarily deduct from the agricultural benefits.

In this particular case, for example, we need the project on the Dead Lakes out there. It has certain agricultural benefits. But the major benefit is to recreational facilities.

Mr. POAGE. And unless we can get more money—and let me make it plain now, I agree, I think that Mr. Sikes has a splendid idea, and

see no reason why the Federal Government should not recognize the value of recreational projects—I really do feel that. But it is important that we ought to recognize this is the Committee on Agriculture. Our primary business is to look after agriculture.

I think you will recognize that if we did not do that we ought not to be sitting here. We haven't got any more money than we need. In fact, Dr. Williams, we have got at the present time 84 projects pending in my State and you are approving 13 of them, is that about right?

Mr. BROWN. There are about 110 projects.

Mr. POAGE. It has gone up then. The number has gone right up and doing so every day.

Mr. SIKES. It appears to me that this may not be quite as serious a problem as you may fear.

I think you are right in bringing up this question. I certainly agree with you that there isn't money enough now for the things that are under consideration which should be done.

But the inclusion of projects for additional purposes is something that would take time. Screening and approval are lengthy processes.

It is doubtful that those projects could be included in the budget that is now before us, for fiscal 1958, even if this amendment were approved immediately.

We are seeking a change in permanent law which will be helpful in the future. Funds for the new projects would very probably have to be included in the next budget.

Mr. POAGE. I do not want to interrupt your statement. Maybe we can clear this up right now. As I understand it, if we were to pass this today, if it were to become law today, would it not then make it possible for the Soil Conservation Service to pay a portion of the recreational costs on projects that have already been approved as agricultural projects where the local people are paying all of the recreational costs now.

Mr. WILLIAMS. Certainly, any projects that are in the planning stage with recreational aspects would be needed to be taken into account. And if there were Federal funds involved in those, why, certainly, it would have the impact that you suggest.

The ones that are already approved for operation in which there has been a definite agreement for a specific program already cleared through the various departments, the only thing to be done there would be to reopen it for further consideration. And that might or might not result.

Mr. POAGE. Do you not think, as a practical matter, we would have to reopen those projects? And do you not think common justice would require it?

You do not have any recreational features in the Brushy Creek project. But let us assume that we had a provision to spend a quarter of a million dollars there for recreation, all of which we would have had to have agreed to pay ourselves, wouldn't we, under the existing law?

Mr. BROWN. That is right.

Mr. POAGE. If you then begin to say to those people who have not yet filed their projects, "We are going to pay half, a third, or two-thirds, of your recreational costs," would the Brushy Creek people not be justified in coming to you and saying, "You have established a

new policy. You ought to make it applicable to us the same as anybody else."

I think you, as a fair man, would pay them; wouldn't you?

Mr. WILLIAMS. I expect that would be the end result.

Mr. SIKES. That would not necessarily mean that it would take precedence over earmarked funds for the present program. I think this would be very unlikely.

Mr. POAGE. They have already begun to build the Brushy Creek project.

Mr. SIKES. The recreational benefits would then subsequently be considered as obligations against the Federal Government, but would not be expected to take precedence over earmarked funds in the present budget.

Mr. POAGE. If I had the assurance that if we were to pass this bill that there would not be diminution of the moneys available for the existing program—that is all I would want. That is all I want.

Mr. SIKES. Clearly, Mr. Chairman, the Department has brought to the Appropriations Committee an estimate of the money they will need for fiscal 1958. They have in substance earmarked certain funds for approved projects which they will justify. It would appear to me that none of the projects we are talking about now could take precedence over or take away from those earmarked for anticipated expenditures in fiscal year 1958.

Mr. POAGE. I understand that would be reasonable. Neither you nor any people who are proposing this bill today then will ask for any of that money until the next fiscal year?

Mr. SIKES. I will not ask to take precedence over any projects already earmarked for funds in the current budget. I would hope that we could undertake planning for inclusion in future budgets.

Mr. POAGE. I asked, can we have the assurance that nobody will ask that the Soil Conservation Service use any of the money that has actually been earmarked prior to 1958? That you will not ask that any of the presently budgeted funds be used to pay for any of these recreational projects?

Mr. SIKES. I will go along with that if we can proceed with planning for future budgets.

Mr. POAGE. Anybody in here who feels any reluctance to being bound by such a commitment as that?

What do you think about it?

Mr. FRYE. May I make one comment?

I think the importance of this bill as Mr. Sikes has passed out this overall long-range effect—the importance is in the establishing of a policy, not in the program.

Mr. POAGE. So far as I am personally concerned, I am willing to go along with you on long-range programs, but I want to know that it is not going to take money away from my farmers next year.

Do I have your assurance of that?

Mr. FRYE. As far as I am concerned, you do. But that has no official standing.

Mr. POAGE. Wouldn't you gentlemen agree to put just a little addition to this bill and say that no allocation of funds shall be made prior to July 1, 1958?

Mr. SIKES. I would not object to that.

Mr. POAGE. I think we are getting somewhere.

You may proceed.

Mr. FRYE. Thank you. That is all.

Mr. POAGE. We wanted to hear you out.

Mr. FRYE. This is Congressman Sikes' bill and all of the sportsmen highly endorse it. I am quite sure all of the people in Florida will endorse it.

They would not object to such a provision as that.

What we want to do is to get it established as a recognized official function of the act.

Mr. SIKES. Mr. Chairman, I have one additional witness, Mr. McBroom, of the Fish and Wildlife Service.

STATEMENT OF JAMES T. McBROOM, FISH AND WILDLIFE SERVICE

Mr. McBROOM. Mr. Chairman, I am James T. McBroom of the United States Fish and Wildlife Service, Department of the Interior.

Our branch of River Basin Studies considers the impact of water-resource projects on fish and wildlife resources throughout the country; that is, water resources projects such as those built by the Corps of Engineers, or the Bureau of Reclamation, or licensees of the Federal Power Commission.

We have this branch set up to study these things, to develop estimates of benefits, and to recommend whether or not projects and their recreational and fish and wildlife benefits have national significance.

The measure of the Federal cost sharing is usually based on our recommendations.

I will say that the small watershed project program is one of the most beneficial that we know of to fish and wildlife resources.

Under a memorandum of understanding with the Department of Agriculture, we have investigated most of the small watershed projects that have been approved for planning and find only 5 percent to be deleterious to fish and wildlife resources.

We have found that the farmers of this country are the most avid hunters and fishermen.

In an economic survey made last year we determined that 1 out of every 3 households in the United States has 1 person in it who hunted or fished in 1955. In the case of the rural areas, that proportion is 1 out of 2; every other rural house has a hunter or fisherman.

So farmers are very much interested in getting better fishing and hunting in their areas.

Mr. Chairman, we know that many farmers have thought of fishing and hunting benefits as among the most valuable benefits they can get from the small watershed program. They are looking for better hunting and fishing.

Many of them are holding back on local participation until they can get hunting and fishing benefits.

I should emphasize that I am not necessarily reflecting the views of the United States Fish and Wildlife Service or the Department of the Interior, since they have not filed a report here. But it is my personal view that this bill, H. R. 5497, would be a great boon to the watershed program as a whole, including that specifically for the benefit of the farmer.

That is the 2-minute statement to which you, Mr. Chairman, requested I limit myself.

Mr. POAGE. Thank you very much, Mr. McBroom.

The committee will have to recess. I do want to state for the record that the files of this committee show a copy of Mr. Sikes' bill was sent to the Department on March 1. It was introduced on February 28. This committee sent it to the Department.

The committee has to recess for the moment. I am going to recess until 3 o'clock this afternoon when we will hear the rest of the bills.

Mr. SIKES. I wonder if it would be possible for Congressman Herlong and Mr. McBroom to file additional statements for the record?

Mr. POAGE. It will be. Without objection, both Congressman Herlong and Mr. McBroom will be permitted to do so.

(The statements are as follows:)

STATEMENT OF HON. A. SYDNEY HERLONG, JR., A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF FLORIDA

Mr. Chairman, I appreciate this opportunity to present my statement in behalf of H. R. 5497, Mr. Sikes' bill to amend the Watershed Protection and Flood Prevention Act.

It is of extreme importance to us in Florida that recreational and fish and wildlife development be included as one of the qualifying criteria for eligibility under the existing law. We in the State of Florida particularly have a higher proportion of people who make their living off other people's recreation than any other State in the United States. So it can truly be said that recreation in Florida is a business. The man who visits our State from another State may consider that he is enjoying a recreational pursuit but, believe you me, it is bread and butter to the man who sells him his boat, equipment, shotgun shells, and other sporting paraphernalia. It is just as important that people who are engaged in these businesses have their occupations recognized by the Federal Government as it is for them to recognize someone who hauls a sack of potatoes over a waterway.

In my section of Florida we are doing a splendid job of self-help in this field of protecting and conserving our water. We feel that we are doing such a fine job ourselves, but there is so much more to be done, that we think the Federal Government could well have a part in this program. As you know, in my area the local government does the entire job. The Presidential Advisory Committee report on water resources policy has recommended that the Federal Government assume a part of the cost of projects where the local people are doing their part and where the projects represent substantial contributions to the general economic growth of the region. I assure you, Mr. Chairman, that the economic growth of the region that it is my privilege to represent is irrevocably tied in with recreation. Everyone else recognizes this. The Federal Government should also. I, therefore, respectfully urge this committee to take prompt and favorable action on this very constructive legislation proposed by my able and distinguished colleague from Florida, Mr. Sikes.

STATEMENT OF JAMES T. MCBROOM, UNITED STATES FISH AND WILDLIFE SERVICE

Mr. Chairman, I am James T. McBroom of the United States Fish and Wildlife Service, Department of the Interior. I am Chief of the Branch of River Basin Studies in the Bureau of Sport Fisheries and Wildlife of that Service.

Our Branch of River Basin Studies considers the impact of water resource projects on fish and wildlife resources throughout the country. Our studies include water-use projects of the Corps of Engineers, Bureau of Reclamation, and licensees of the Federal Power Commission. These studies are conducted under the authority of the amended Coordination Act of August 14, 1946 (60 Stat. 1080) which provides for investigations of the effects on fish and wildlife resources of project plans for water resource development by Federal agencies, or by private agencies under Federal license. The purpose of these investigations, among others, is to develop means and measures which should be incorporated in project plans to minimize the adverse effects of these projects on fish and wildlife resources and to maximize the beneficial effects. Our surveys are

made in cooperation with the appropriate State fish and game agencies which have general jurisdiction over resident fish and wildlife resources.

We also investigate, for the same purposes, the small watershed projects planned by the Department of Agriculture in accordance with the amended Watershed Protection and Flood Prevention Act. These investigations are carried out in accordance with a memorandum of understanding dated May 12, 1955, between the Soil Conservation Service and the Fish and Wildlife Service. A copy of that memorandum of understanding is attached hereto and forms a part of this statement.

Our studies of Corps of Engineers and Bureau of Reclamation projects customarily determine the benefits and losses associated with each project. These determinations by the Fish and Wildlife Service are used by these agencies in their project cost-benefit ratios. Project costs for fish and wildlife conservation measures which are included in project plans are justified on the basis of evaluations by the Fish and Wildlife Service. The cost sharing of the Federal Government of these projects on account of fish and wildlife benefits is thus based on evaluations of the Fish and Wildlife Service. This is an established procedure which we expect will be continued. This procedure—that is, the determination by the Fish and Wildlife Service of the effects on fish and wildlife resources of these projects and the evaluation of benefits and losses to these resources by the Fish and Wildlife Service—is also contemplated for small watershed projects under the terms of the memorandum of understanding, dated May 12, 1955, referred to above.

The small watershed program is one of the most beneficial programs for fish and wildlife with which we have to deal. To date, under our memorandum of understanding with the Soil Conservation Service, we have studied and reported on 119 small watershed projects which are approved for planning by the Department of Agriculture. This includes most of the 238 projects so approved on which plans are sufficiently advanced to make a fish and wildlife reconnaissance study feasible. In only 6 cases, or less than 5 percent of projects studied, have the adverse effects on fish and wildlife resources been sufficiently serious to merit detailed studies to develop mitigation measures. Practically speaking, therefore, 95 percent of the small watershed projects have been beneficial to fish and wildlife.

You may recall that when the small watershed projects bill was being considered by the 83d Congress, it received firm support and endorsement by the various wildlife conservation agencies and interests. Wildlife people know that good soil and water conservation is vital to the welfare of fish and wildlife resources. They know that fish and wildlife are as much a product of the land as any other crop. It follows, then, that the 95 percent of small watershed projects found to be beneficial to fish and wildlife represent substantial public benefits to the population at large, as well as to individual farmers in the watersheds. I can see no reason why the small watershed program should not take credit for these public benefits. Presumably this is what Mr. Sikes had in mind in proposing H. R. 5497.

Federal participation in defraying the cost of fish and wildlife benefits associated with water-use projects has firm precedent. Under section 2 of the amended Coordination Act, all costs of Federal reclamation projects, allocated to preservation and propagation of fish and wildlife are nonreimbursable; that is, they are borne entirely by the Federal Government. The same applies to locally sponsored projects under the Small Reclamation Projects Act of 1956 (Public Law 984, 84th Cong.).

It is my understanding that a number of small watershed projects have been unable to meet the established standards for positive cost-benefit ratios on the basis of agricultural and flood control benefits alone. Therefore it seems to me that H. R. 5497 would assist in qualifying many desirable projects by facilitating use of the very genuine fish and wildlife benefits to shore up the benefit side of cost-benefit ratios.

Of course this would have to work both ways. In addition to helping justify projects, the consideration of fish and wildlife losses probably would make some small percentage of projects infeasible that would otherwise qualify on the basis of agricultural and flood control benefits.

Also, in all equity, if the general taxpayer is to support cost sharing of project developments for fish and wildlife and recreational purposes, he should be entitled to free public access to project lands and waters for hunting and fishing.

I believe there is ample justification for recognizing fish and wildlife improvement measures as practices eligible for Federal cost sharing in the development of small watershed projects. Last year, at the request of the State fish and game departments, the Fish and Wildlife Service undertook a survey of how many people

in the Nation hunt and fish, and how much they spend in pursuit of these sports. The survey showed that 25 million Americans 12 years of age or over, hunted or fished or both in calendar year 1955. This is 1 out of every 5 Americans in that age group. They spent almost \$3 billion, conservatively estimated, in pursuit of their sports. This is about equal to the amount all the households in the United States spent for electricity in that same year.

Fish and wildlife, by any standards, qualify as a big business. The most important values of fish and wildlife resources, however, are those which cannot be measured in dollar terms—rather, these main values are in the contribution of these resources to the health and well-being of our citizens.

On the average, 1 out of every 3 households in the Nation has a hunter or a fisherman. In rural areas, 1 out of every 2 households has one or more hunters or fishermen. Farmers and other rural residents, therefore, are the most avid in their demands for hunting and fishing opportunities. They are looking for better hunting and fishing. We understand that some farmers are holding back on local participation in the small watershed program until they can be assured hunting and fishing benefits.

In some respects, therefore, the fish and wildlife and recreational benefits may well be one of the most important phases of the small watershed program. The potential for such purposes is great, and I trust that in the future the program will lend itself to a modification of projects plans to provide maximum (fish and wildlife) benefits. I believe this to be justifiable even at some slight reduction in the emphasis currently accorded flood control and agricultural benefits.

In conclusion, I emphasize that the views I have here expressed are personal. They are not necessarily the views of the United States Fish and Wildlife Service, or the Department of the Interior, whose views normally are expressed in legislative reports of the Secretary. The Department has not filed such a report on H. R. 5497.

It is my personal view that H. R. 5497 is a good bill, not only for farmers, but for the public in general, including all those present and future citizens who will want a place to hunt and fish.

MEMORANDUM OF UNDERSTANDING BETWEEN FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR, AND SOIL CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE

This memorandum is entered into for the purpose of encouraging the coordination and integration of fish and wildlife conservation with works of improvement carried out pursuant to provisions of the Watershed Protection and Flood Prevention Act of August 4, 1954 (Public Law 566, 83d Cong., 2d sess.), and to that end will provide guidance to all personnel in the Fish and Wildlife Service and the Soil Conservation Service.

GENERAL CONSIDERATIONS

1. The watershed protection and flood prevention projects may have a significant effect on fish and wildlife resources in some watersheds. Therefore, it is agreed that the Fish and Wildlife Service and the State fish and game agencies may make such recommendations for fish and wildlife conservation as they deem practical during the planning stage of projects under Public Law 566.

2. Local organizations, as defined in Public Law 566, may desire to incorporate measures for enhancement of fish and wildlife in watershed work plans based upon recommendations of State and Federal agencies, but no part of the cost of such enhancement measures will be paid for from appropriations made under authority of Public Law 566.

3. Costs of measures for mitigation of any damages to fish and wildlife resources resulting from the proposed works of improvement under Public Law 566 will be considered by the Soil Conservation Service as proper costs of the projects and such measures as are determined to be appropriate by the Soil Conservation Service shall be incorporated in the watershed work plan.

Tangible benefits or losses to such resources shall be appropriately credited or charged to the projects and intangible benefits and losses may be cited.

Watershed work plans should represent the program of local people. The Soil Conservation Service will participate in carrying out only those elements of the project, however, that are in accordance with the provisions of Public Law 566 and that it considers to be in keeping with the policies of the Department of Agriculture.

PROCEDURES

4. The Fish and Wildlife Service may make a reconnaissance study of proposed or approved watershed projects to determine (1) the probable effects of the project on fish and wildlife resources, and (2) whether detailed studies of the watershed area and project plans are needed properly to integrate measures for conservation of fish and wildlife into watershed work plans. These reconnaissance studies shall be financed from funds regularly appropriated to the Fish and Wildlife Service for river basin studies.

5. In the event detailed studies by the Fish and Wildlife Service of certain projects are recommended and both the need for and the estimated cost of making such studies have the concurrence of the Soil Conservation Service, the cost of such detailed studies will be financed by transfer of funds from the Soil Conservation Service.

6. Following the transfer of funds for these studies, the Fish and Wildlife Service shall proceed promptly to undertake them, in close consultation with the appropriate State fish and game agencies, the local offices of the Soil Conservation Service, and the representatives of the local organization. The Fish and Wildlife Service will keep in mind at all times the objectives of the local organization in the development of a watershed project.

7. The recommendations developed by these studies will be given full consideration by the Soil Conservation Service and will be presented for the consideration of the local organization in developing the watershed work plan.

8. This memorandum of understanding will be implemented by periodic agreement for transfer of funds and arrangements for specific work.

JOHN I. FARLEY,
Director, Fish and Wildlife Service.

Date May 24, 1955.

GLADWIN YOUNG,
Acting Administrator, Soil Conservation Service.

Date May 12, 1955.

Mr. POAGE. Mr. Baker has a statement that he wanted to read. Did you want to come back at 3 o'clock?

Mr. JOHN A. BAKER (National Farmers Union). Just include it in the record as though read. That will suit me all right.

I do not have to read it.

Mr. POAGE. We will read your statement at 3 o'clock this afternoon then. We have the statement.

Mr. BAKER. Thank you very much.

Mr. POAGE. We will now recess until 3 o'clock.

(Whereupon, at 12:20 p. m., the committee recessed, to reconvene at 3 p. m., this day.)

AFTERNOON SESSION

Mr. POAGE. The committee will come to order, please.

I believe that we were on H. R. 3861, H. R. 3988, H. R. 4253, and also H. R. 4958. I believe they are all identical bills.

Mr. McIntire introduced H. R. 3988. Mr. McIntire, I wonder if you would like to explain that bill.

Mr. McINTIRE. Well, Mr. Chairman, H. R. 3861, your bill, H. R. 3988, introduced by myself, H. R. 4253 of Mr. Avery, and H. R. 4958 introduced by Mr. Weaver, I believe, are identical bills.

My interest in legislation of this kind flows from the fact that we seem to have been a little more restrictive in the 84th Congress than I felt we intended. You may recall that when we were working on the legislation which finally was enacted as Public Law 878 of the 84th Congress with amendments, that we discussed the matter of making sure when a loan was closed at 90 or 100 percent of value, that the borrower, the farmer, was in reasonably solvent position, at least that his debts did not exceed his assets.

So, language was withdrawn and that bill was amended in committee to make provision for some determination of that fact, that the assets and the liabilities were in balance at the time. However, the language that was in that legislation listed as the assets that were to be considered, the real estate, the livestock, and the machinery.

Frankly, for myself I was thinking in terms that we were dealing with real estate and personal property, but that is not the way the language was used when the administrative regulations went out relative to this legislation.

I feel particular interest in this, particularly in my own section because it was brought to my attention, that in taking the financial statement of an applicant or in considering the liabilities and the assets, that it was not permissible to include as an asset a crop which was growing, which crop, perhaps, caused the current borrowing, to finance that crop; and by the same token that that crop being held for marketing, that crop in storage should not be considered as assets for borrowing purposes.

Well, certainly, that was a more restrictive interpretation of this part of Public Law 878 than what was intended in our discussions relative to the amendment which was adopted in committee.

So, this bill, or these bills, because, they are all the same, were introduced to correct that situation.

Mr. PoAGE. Mr. McIntire, you made a good statement. I wonder if the members of the Farmers' Home Administration have any statement they care to make.

STATEMENT OF KERMIT HANSEN, ADMINISTRATOR, FARMERS' HOME ADMINISTRATION; ACCOMPANIED BY HOWARD V. CAMPBELL, OFFICE OF THE GENERAL COUNSEL; CHARLES C. BARNARD, DIRECTOR OF BUDGET AND STATISTICS DIVISION; AND DALE SMITH, ASSISTANT ADMINISTRATOR, FARMERS' HOME ADMINISTRATION

Mr. HANSEN. Actually, we have no statement to make, Mr. Chairman, on that aspect, unless there are some questions.

Mr. PoAGE. You have given a report on the legislation?

Mr. HANSEN. Yes, sir.

Mr. PoAGE. That report is a favorable report, I understand.

Mr. HANSEN. There is a favorable report on this bill. That was submitted this morning, I believe, a little bit late because we had a little difficulty getting it mimeographed, but it is here.

Mr. PoAGE. That is all right. We will include it in our record.

(The report referred to is as follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 21, 1957.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of February 5 for a report on H. R. 3861, a bill to amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes. This bill would amend section 17 of the Bankhead-Jones Farm Tenant Act to permit, in connection with determining an applicant's eligibility for a loan under this section, consideration of the value of his real estate and of the

personal property he owns which the Secretary of Agriculture determines has security value.

This Department recommends enactment of H. R. 3861.

The present language of section 17 permits the consideration of only the applicant's real estate, livestock, and farm equipment and machinery as assets and prohibits the inclusion of crops in storage and other types of personal property. The proposed amendments would permit the consideration of assets such as growing and harvested crops, farm supplies, and cash and securities in addition to the value of real estate, livestock, and farm machinery and equipment in determining whether an applicant is eligible for a loan primarily for refinancing. Enactment of this bill would result in the determination of applicants' eligibility for loans under section 17 being determined on a more uniform and equitable basis, irrespective of the type of farming in which they are engaged or the part of the crop year during which their applications are being considered.

The enactment of this bill would not require any additional appropriation.

In view of the request that this report be submitted immediately, we have not obtained the advice of the Bureau of the Budget as to its relationship to the program of the President.

Sincerely yours,

TRUE D. MORSE, *Under Secretary.*

Mr. McINTIRE. Mr. Chairman, I would perhaps like to ask Mr. Hansen a question or two, just in order that we might have a record.

It is my understanding that this language will permit in the setting up of a financial statement the inclusion of the assets of the farmer, whether it is growing crops or crops held for marketing or storage or such other as is considered an asset of the farmer in the farm operation?

Mr. HANSEN. That is right, sir. Heretofore, we were only considering real estate, the livestock and machinery and other securities such as crops and cash on hand and so forth were not considered in the liquidity of a man's statement or in the security he had to offer as far as our refinancing was concerned.

Mr. McINTIRE. What will be the policy of the Farmers' Home Administration in relation to off-farm assets and liabilities? Will those be set aside on this balancing of assets and liabilities required under this provision of the act, or what is your thought?

Mr. HANSEN. Would you state that again, please, sir, I did not quite catch it.

Mr. McINTIRE. Well, I am thinking in terms of a farmer perhaps owning other property which is not a part of his farm operations, and having liabilities against that. How would that be interpreted in relation to this provision of the act?

Mr. HANSEN. I believe that would be considered as part of his security. I would like to pass that on to Mr. Campbell here.

Mr. CAMPBELL. Mr. McIntire, the——

Mr. McINTIRE. I might say that the reason I am raising that question is that I hope by this legislation that we can cover our intent here in such a way that we are not leaving something undone.

Mr. CAMPBELL. Mr. McIntire, I believe a correct interpretation of the law, with this amendment, would not preclude considering the assets and would require some consideration of the indebtedness, even though that real estate or property and that indebtedness did not relate specifically to the farm which the Farmers' Home Administration was primarily concerned with.

The act as so amended would still read, "Determine the value of real estate," which is not limited to a particular farm but includes all real estate holdings. And it would read, "The reasonable value of the

applicant's personal property," and that would not be limited to his farm personal property.

So, I think that you would get an overall true net worth financial picture before you in determining his eligibility.

Of course, there are other provisions of the act which might influence an applicant's eligibility; whether the value of his nonfarm holdings, whether or not such holdings and such operations would make him ineligible because he would not be the operator of a family-sized farm, or if he found that his financial picture was such that he should be able to get credit elsewhere; but assuming that he met those other eligibility requirements, these nonfarm holdings and debts would not preclude him from receiving the benefits of section 17 refinancing.

Mr. HANSEN. Actually, Mr. Chairman, the amendment would lend additional security, and these other assets that had never been able to be considered previously could be now considered with respect to the liquidity of his financial statement and the overall security relating to this particular loan or refinancing.

Mr. POAGE. This will not, as I understand it, be used as a means of getting more security on the loans than now, but rather will enable you to make loans in a field where you cannot now make them?

Mr. HANSEN. That is correct, Mr. Chairman, that is the intent, that it would enable us to serve the people who actually had the liquidity as far as refinancing is concerned. These items that we mentioned could not be considered in determining solvency in the past.

It actually would not make any thinner loans, it would just enable us to consider resources at hand that we have not been able heretofore to consider.

Mr. POAGE. Mr. Hansen, I realize that perhaps this is not germane to the question before this subcommittee now, but since you are before us, and I know we can get authentic information from you, I would like to ask you, because we have had so many calls about farm credit, I want to ask you: Do you see any need for enlargement of your authority, any general enlargement of your lending authority?

Mr. HANSEN. Mr. Chairman, in my opinion, we have adequate authorities to serve where credit is the answer to the problem.

Now, grant that there are human limitations involved and many complexities in administering the statutes that you gentlemen give us, but I believe where credit is the solution to the farm family's problem, that we do have adequate authority at the moment.

Now, where the problem is other than credit, of course, and where the line of demarcation enters in, that is where our job becomes real complex because we can only analyze assets about so far and you can analyze human nature about so far. We have certain standards to follow and sometimes those standards are exploded. There is always someone whose situation looks impossible, but who nevertheless succeeds. But, I do believe, as I stated before, that where credit is the answer to the farm family's problem we do have adequate authority with a few minor exceptions, of which this is one that we are speaking of.

Mr. POAGE. Well, do you see any reason for any change in the interest rates? Are you suffering from limitations?

Mr. HANSEN. No, sir; not particularly. In another program, if you wish to refer to that, in our insured program, the situation is tight.

Mr. POAGE. Yes.

Mr. HANSEN. Frankly, with the money situation being as it is, we have experienced some difficulties. However, I do not believe that raising the interest in itself would be of any real benefit at this particular time.

I would like to ask Mr. Smith—I believe this is correct, though—that we have loaned more money through the insured loan than we have through the appropriated route this year—may I ask Mr. Smith, is that correct?

Mr. SMITH. That is correct, for this year.

Mr. HANSEN. Notwithstanding that we have had to work hard to get some of that insured money from private interests.

However, I do not believe a one-half of one percent raise in the interest rates would subsequently increase the amount of the funds that we could procure through private sources. The hardship that it would bring about on the types of borrowers we have I do not feel would justify any change in interest rates at this time, Mr. Chairman.

Mr. POAGE. Well, you know, we hear from so many people with all their problems and many of them, they are complaining about interest rates, and I do not know whether you can solve any of these problems by changing the rates or not, and I wondered if you could give us any comment.

For instance, there are some folks in the drought areas of my State, particularly those in the livestock business, who find themselves with more cash on hand than they ever had but they are not better off because a large part of those people or a substantial part of them have sold out their entire livestock herds. In my own county they face a rather unusual situation in that because of the fact that we had a worse situation droughtwise than we have ever known, they have been forced to sell their livestock and so they had more money than they had ever made before. But they cannot keep that money. The answer is simply that because they have sold their livestock and it is true that they have some more money, but they are now out of business and are going to have to find some credit before they can get back into business again. Having sold their entire livestock holdings, they do not have money enough to start all over again. So that while in the little bank that normally would have about \$1 million in deposits you will find \$1.5 million or even \$2 million on deposit—but now spring is coming on and many of those people, or I should say, most of them, are not going to be able to get back into the livestock business. They do not have enough money left if they have paid their debts. If they want to get into the livestock business they could not because they do not have livestock or they only have 20 percent of what they should have on the place and they obviously cannot make a living that way and in order to refinance the restocking of their enterprise in that part of the country with livestock, they simply do not have enough capital to do it.

I am sure that you are going to be called on to finance a good many of that type of loans, for these people to get back into business and if they cannot get livestock they cannot get back into business and obviously if they are not back in business then we have lost a valuable asset.

What do you think of the idea of trying to establish some system of loan guarantees? Rather than asking you to finance all of their

needs, which will probably run into more money than Secretary Humphrey will want to spend, what do you think about the idea of an insured loan program, of insuring bank loans—I would presume it would all be under your supervision—do you think there is any merit to it?

Mr. HANSEN. Well, frankly, we have been so snowed under with our immediate problems that we have been rather confused as to what comes next, Mr. Chairman.

I have personally tried to rationalize that approach and many others and I have had the privilege of meeting with others in the credit field, in the private and cooperative credit field and I have heard many suggestions advanced as possibilities.

And I believe I am correct in this statement, that somewhere, I cannot recall just where, but I know I have heard statements to the effect that real studies should be made as to various methods into meeting the credit needs as they arise in the particular situation you mention there.

Personally, at this time, Mr. Chairman, I would not be in position to venture an opinion.

Mr. POAGE. Well, we appreciate your statement as far as it goes.

Mr. McINTIRE. I have heard some discussion and this is outside of the livestock area, but I have heard people expressing the opinion that in the case of the capital requirements to operate a farm, whether it be in livestock or in crop or in both, that there ought to be some type of arrangement whereby it could be insured and available to them.

As it is now, as long as they can get approval from the lenders on their security, they get their loans from 1 year to the next and I feel that many of them are faced with the problem or are searching, I think, in their minds for a new or different approach to their credit needs on a basis whereby they can say, "Well in effect I am entering into a contract whereby I know I can get this for a period of 3 or 4 years."

I realize that this is in violation of some of the basic credit analyses that usually have to be made, but those fellows are working on the assumption they are still there and the farms are still there and that they can demonstrate their ability. But this fact of running into a crop year places them in a position where they just do not know whether they are going to farm or not and I have heard some discussion that that type of situation ought to be incorporated into an insurance type of vehicle whereby a premium will be paid, as a practical device, each year, providing some type of vehicle that will give them what they need.

I know that in my country right now a farmer can get 70 to 75 percent of what the real estate is worth and he can just do that once. He cannot get the capital he needs so much more today as compared with years past; he cannot get it through the present securities that he is allowed to put up, and I think it is that kind of a thing that needs to be taken care of.

Mr. HANSEN. Yes, sir.

Mr. Congressman, I think that is quite right and I believe we will all agree that we have seen agriculture go through some real transitional pains, if I may call it that, where the investment today per family is greatly in excess of what it has ever been heretofore.

Perhaps our credit structures have not quite coped with the technological progress that has take place.

Along the line which I just spoke of a moment ago, Mr. Chairman, I do feel there is a real need for study into the financing structure and into the credit structure and financial needs of our agriculture throughout the country.

I think we could well employ some of the best thinking available to make a continuous study into that and perhaps—and I am purely speaking as a personal opinion—perhaps there has been as little study into the financing and credit structure of agriculture as in anything else.

We have made tremendous strides technologically and in fields of that nature, but financing has gone through a tremendous transition even in our time. We have seen it grow from a relatively small investment of a few hundred dollars into thousands of dollars of investment for an efficient operator today.

And I wonder if the financing and financial institutions and credit institutions have kept pace with the progress that has brought about the needs of today.

Mr. McINTIRE. Well, I think, Mr. Hansen, such a study ought to be made, from which we would get some ideas if we are willing to explore into another or new approach to this thing. I think the program will require some new approaches as will the present financial operations, because the capital requirements of the farm today are heavier than in American industry. We do not propose to put American industry in anywhere near the same situation as the current operations on the farm.

Mr. HANSEN. I believe there are perhaps some more or less private studies being made. I know that some of our agricultural colleges are making some financing studies.

I believe the American Bankers Association is making some studies. I know that Farm Credit and we are constantly attempting to find new methods and new ideas.

I believe there is a gentleman here representing the American Bankers Association today and with your indulgence I wonder if that gentlemen would care to tell us whether or not he knows of any such studies in the banking world.

Mr. POAGE. I would be delighted to hear from anybody in the American Bankers Association. We are getting a little far afield, but I think it may be profitable to explore this whole matter and in the end I think that it may save us some time.

Will you come forward, please?

STATEMENT OF CHARLES T. O'NEILL, JR., REPRESENTING AMERICAN BANKERS ASSOCIATION, WASHINGTON, D. C.

Mr. O'NEILL. Mr. Chairman, I do not believe I am in a position to testify at the present time on this.

The study he referred to, I believe, is being conducted by the agricultural department and I am not in that particular department. I am in the Washington office and I would rather for them to make a statement, I would prefer that any comments with reference to that come directly from the agricultural division rather than me.

Mr. POAGE. Do you think your agricultural division would be in position to come down here and give us some suggestions at some future time?

Mr. O'NEILL. Well, I feel that if the committee asks for it, they would certainly come down and testify before the committee.

Mr. POAGE. Well, I think that you can see what we are trying to do—we are not holding a hearing on that—we may go off the record at this time.

(Discussion off the record.)

Mr. POAGE. We will go back on the record now.

Do you have anything further?

Mr. HANSEN. No, Mr. Chairman.

Mr. POAGE. Mr. Campbell, I believe this morning we were discussing H. R. 3753 and it has been called to my attention that possibly we overlooked some things and I wonder if you are in a position to give us any idea whether there is any reason why we could not use that same legislation to implement our rural housing program, at least in some areas.

Mr. CAMPBELL. I cannot speak for the Department. The Department report for the bill under consideration did not go into this feature.

It occurred to me if the committee was going to give favorable consideration to the bill that it might further amend Public Law 361 to assist the Department of Agriculture and the Department of the Interior in working out their joint relations on public land and homesteads—where the Farmers' Home authority for the loan comes from title V of the Housing Act of 1949 instead of under title I of the Bankhead-Jones Act or the Water Facilities Act.

As now written, Public Law 361 applies only to loans made under the Bankhead-Jones Act and the Water Facilities Act. We are, however, making loans under title V of the Housing Act of 1949 in those same areas, but we have to service those in line with the Department of Interior's authority to deal with the entrymen or purchase contract holders and instead of the Secretary of Agriculture having the disposal authority, should the loan go sour, or should the entry be canceled, the Interior Secretary, the Bureau of Reclamation, will cancel the entry and then dispose of the property under Bureau of Reclamation laws.

It merely means that this agency has two different procedures to apply in the field under existing law.

Mr. McINTIRE. In other words, you are making housing loans to the desert entrymen?

Mr. CAMPBELL. To homestead entrymen and contract purchasers.

Mr. McINTIRE. But you can, if you pass this bill?

Mr. CAMPBELL. Correct.

Mr. McINTIRE. But in making them you are looking to the Department of the Interior for such loan?

Mr. CAMPBELL. That is right.

Mr. McINTIRE. The Department of the Interior has some basic law that allows them to cancel these entries and sell the property?

Mr. CAMPBELL. They dispose of it as they would any other entry on which there is a private mortgage lien. The Secretary of the Interior is merely directed to take into account the interest of third parties.

The mechanics of disposing of the property and liquidation of loans is different from the mechanics which are applicable to a Bankhead-Jones loan on an entry.

Mr. McINTIRE. The claim would be made directly to the Housing Act as well as the Water Facilities Act and Bankhead-Jones?

Mr. CAMPBELL. That is correct.

Mr. POAGE. If you would be kind enough, give us a suggested amendment that might do that and we might consider it in our executive session.

Mr. CAMPBELL. I would be glad to give it to the counsel of the committee.

Mr. POAGE. Yes. We would appreciate it if you will, we would like to have it available.

Now I think if no one else wants to be heard on these two bills, I would like to ask to insert in the record a paper from Congressman Phil Weaver of Nebraska, relating to these bills, H. R. 3861, 3988, 4253, and 4958, and without objection, it will be made a part of the record.

(The statement of Congressman Weaver is as follows:)

STATEMENT OF HON. PHIL WEAVER, A REPRESENTATIVE IN CONGRESS FROM THE
FIRST DISTRICT OF NEBRASKA

In support of H. R. 3861, H. R. 3988, H. R. 4253, and H. R. 4958 to amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes.

Mr. Chairman and gentlemen of your subcommittee, may I express to you Mr. Chairman and to the members of your subcommittee my genuine thanks and appreciation for this opportunity to be heard and to express my views on this urgent matter.

The prompt and thoughtful attention by this subcommittee and your full committee to this problem may well amount to the financial survival or collapse of many of our farm people throughout this great country.

I am pleased to add my voice to those who speak in support of this legislation. Flexibility is necessary in any farm-credit program if we are going to restore our basic industry of agriculture to its rightful place in our overall economy. With extended drought and lower farm prices, we must remove unnecessary credit obstacles if the farmer is to survive. This suggested legislation will permit a farmer applying for a loan with the Farmers' Home Administration to present a financial picture that correctly reflects his total assets and total liabilities and not a one-sided picture that overlooks part of his true net worth.

These bills, identical in nature, will bring into reality an honest and fair interpretation of the language in the original act as it was intended. Restrictive interpretations will be removed without any question because they made it impossible for the act to accomplish and do what was only intended and hoped for when it first became law.

I am confident, Mr. Chairman, that you and the members of this subcommittee will meet the challenge before you in the consideration of this measure. I know that in your earnest and sincere desire to promote the cause of agriculture, upon which all America is so dependent, you will unanimously approve and favorably report out the legislation before you.

Mr. POAGE. I believe the next bill is the one introduced by Mr. McIntire, H. R. 4404.

Mr. McIntire, if you will, give us a statement on that.

STATEMENT OF HON. CLIFFORD G. McINTIRE, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MAINE

Mr. McINTIRE. Mr. Chairman, this bill, to state it briefly, would be to change the requirement or regulation under which the national bank operates in relation to the instruments of indebtedness or the

notes which they hold under the Bankhead-Jones Farm Tenant Act, permitting the national bank to carry those as investments instead of holding them in their financial statement as loans.

It is my thought in introducing this legislation that this would facilitate the bank accepting this paper. It might, perhaps to some degree, meet the situation that currently exists in relation to interest rates, in that you may find a situation prevailing where the banks could not see their way clear to purchase some of this paper as a loan at the prevailing interest rate, but could see their way clear to purchase it as an investment.

Now, in looking over the existing banking legislation, it was noted that under the law the national bank can classify, as instructed by law, the debentures of the Federal Farm Loan Act, the Federal Home Loan Act, and the Home Loan Corporation, Federal Housing Administration, as investments; that the bank's purchasing of paper in relation to the activities of those agencies is classified as an investment. And it is the purpose of this bill to amend the National Banking Act to designate that these instruments of the Bankhead-Jones Act, that is, these insured loans, be classified as investments.

Now, this bill is rather brief, but it has much broader impact than would appear. I have been analyzing this with the Farmers' Home Administration and I have also heard from banks in my home area.

I wonder whether Mr. Smith of the Farmers' Home Administration, Mr. Hansen, want to make some comment. I do want to say this, Mr. Chairman, that there are certain areas in relation to this bill which probably should be covered in the future through further conferences with the other departments of the Government, such as Treasury, Justice, and the like, before we actually report this bill out.

I do appreciate your bringing it up. I have the firm feeling that it is a constructive piece of legislation and would be of assistance to the Farmers' Home Administration in relation to having greater access to money.

But I do want to say that I think probably the action of our committee should be delayed or deferred until we can iron out some features of the bill through additional conferences with other agencies of the Government. We hoped that Mr. Hansen and Mr. Smith might have some additional comment.

Mr. POAGE. Would you want to comment?

Mr. HANSEN. Mr. Chairman, since Mr. Smith has been working directly with this subject, I would like to ask that he present his ideas.

Mr. POAGE. We are very glad to hear you, Mr. Smith. There is no report?

Mr. SMITH. That is right; there is no report and of course anything I have to say has not been cleared first, but I hope we will very shortly have a firm report.

Mr. POAGE. I think we might defer—of course, the committee will not take immediate action on it, but I did want to hear Mr. McIntire's statement on it.

Mr. SMITH. And he has presented it very, very well, and it is something that we feel will do a lot of good.

Mr. POAGE. You do not have any further statement?

Mr. SMITH. No, sir.

Mr. MCINTIRE. Might I say, Mr. Smith, it is my understanding that in handling this paper the loan made through Bankhead-Jones,

a mortgage was drawn as a loan on real estate, the mortgage was drawn——

Mr. SMITH. Yes, sir; to the Government as mortgagee.

Mr. McINTIRE. And notes in connection with that are drawn to the lender, that is the party who is putting up the money?

Mr. SMITH. That is right.

Mr. McINTIRE. But all of the servicing in relation to this loan is handled by the Farmers' Home Administration, all collections are made directly to the Farmers' Home Administration?

Mr. SMITH. Yes, sir.

Mr. McINTIRE. And the bank does not in any way attempt to service this loan. The bank is required under the contractual agreement to hold for 5 years and then the loan can be transferred back to the Government at full compensation for the outstanding items.

Now, am I correct that actually as far as the banking interests are concerned in the country they look upon that paper, while perhaps not in a technical sense, in a practical sense, as being a Government loan, but they look at it as fully and adequately protected as far as their investment is concerned, as they would a Government loan?

Mr. SMITH. That is right, and the question of marketability is one question raised, because of the 5-year period. There has been no secondary market to speak of, as there is with bonds. However, I feel it is considered pretty much the same type of investment across the country.

Mr. McINTIRE. Now, in relation to the groups that are cooperative with the Farmers' Home Administration, those will include insurance companies or pension funds, or trust funds, and things of that sort. How do they classify these notes in their classifications?

Mr. SMITH. Recently, I have had one insurance company that gave me their report and they have been classified immediately after United States Government securities. They have Government bonds all listed, and the average rate of return on all of them, and then the next classification is our loans, and then following are public utilities and various others, and so they consider these as investments. Verbally they told me they consider them in the same light as Government bonds.

Mr. McINTIRE. It is my thought, I might say, Mr. Chairman, that this type of a provision would be something of an incentive, perhaps, for banks, within a territory where money is needed, to be a little more active in this field, and while this might not change the situation in relation to big investors like the big city banks, it would be very helpful in providing a better vehicle for thousands of other banks who take relatively small amounts of insured loans. By the same token they would be serving farm folks in their normal trading area and continuing a service that they very much like to perform.

Mr. POAGE. I would like to ask Mr. Hansen if it is not true that actually most of these insured loans and most of the money for the insured loans is being put up by rather substantial investors rather than by small investors at the present time.

Mr. SMITH. I can answer that in this way. A year ago the larger investors were more interested and were putting up considerable amounts of money. However, this last year it has turned somewhat and we have made an effort to secure the participation of all of the types of lenders, especially the country banks. The banks are in the

area where the loans are originating and we are obtaining a lot of that participation. We honestly feel that is the avenue we want to pursue, because those farmers and those farms will always be around that local institution, and it is those people that will in the future be in position to take our borrowers when we graduate them to other credit. Of course, the reason they are coming to us in the first place is that they cannot obtain credit elsewhere. We are a supplemental credit agency.

Mr. POAGE. Is there any way whereby a PCA can buy these loans?

Mr. SMITH. Yes; there have been some, but I do not know what funds they are using.

Mr. McINTIRE. You mean the PCA buys your note and, perhaps, discounts it?

Mr. POAGE. Some of the PCA's have a little money of their own—that is true; isn't it?

Mr. SMITH. Some of them have money of their own, I think, and they are investing in our insured loans.

Mr. POAGE. They can buy these loans with that money if they wanted to?

Mr. SMITH. As an investment of their surplus funds; I think we should be specific in that.

Mr. POAGE. I never supposed they would do it, but I suppose if they can buy a loan of a man who expected to graduate into a harder type of credit, it might be well to buy his loans with the guaranty, and at a later date they might carry more.

Any further questions on this bill? If not, before we adjourn I want to read this brief statement which was handed to us this morning from Mr. John A. Baker:

Mr. Chairman and members of the committee, this statement will be brief.

We favor enactment of H. R. 1045, eliminating from the ACP legislative language the never-used provisions for a State-by-State approach to this nationwide problem.

We have long favored enactment of new legislation to extend Farmer's Home Administration loans to desert-land entrymen on the same basis as they are extended to regular homestead entrymen.

As members of the committee will recall, I strongly urged last year that the provisions of H. R. 3861, H. R. 3988, and H. R. 4253 be included in the family farm-credit bill that was enacted last year. We still favor amending the language relating to farm-ownership loans so that purchases from the proceeds of such loans need not be limited to farms smaller than the census average in the county.

I have not had an opportunity to appraise the implications of H. R. 4404. However, I know Congressman McIntire to be well versed in credit matters, and as a member of the Family Farm Subcommittee last year to have a warm place in his heart for low income farm people. I would, therefore, be willing to support a technical amendment of this type proposed by the gentleman.

I know of no objections to enactment of H. R. 4306 to make development of recreational facilities an integral part of small watersheds development.

We appreciate your inviting us to give you our views respecting these important bills.

I also have a letter from the National Grange relating to H. R. 3861 which they approve, and, without objection, we will make that a part of the record.

I have 3 letters from the American Farm Bureau Federation relating to these matters which are before us and, without objection, I will make all 3 part of the record.

(The letters referred to are as follows:)

NATIONAL GRANGE,
Washington, D. C., March 4, 1957.

The Honorable W. R. POAGE,
Chairman, Subcommittee on Conservation and Credit,
House Agriculture Committee, New House Office Building,
Washington, D. C.

DEAR CONGRESSMAN POAGE: The National Grange is entirely in accord with the provisions of H. R. 3861, which permits an applicant for a Farmers' Home Administration loan to show all of his personal property, including stored agricultural commodities, as collateral for that loan.

We urge your subcommittee, the full House Committee on Agriculture, and the Congress itself to approve the measure.

Respectfully yours,

HERSCHEL D. NEWSOM, *Master.*

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 4, 1957.

Hon. W. R. POAGE,
Chairman, Conservation and Credit Subcommittee,
House Agriculture Committee,
United States House of Representatives, Washington, D. C.

DEAR CONGRESSMAN POAGE: We understand that you will give consideration on Tuesday, March 5, in your subcommittee to H. R. 1045, to amend the Soil Conservation and Domestic Allotment Act, as amended and the Agricultural Adjustment Act of 1938, as amended.

As we understand the provisions of this bill, it would accomplish two major things: (1) It would repeal the current provision of law which authorizes the Secretary of Agriculture, where States have submitted a satisfactory plan, to turn over as a responsibility of the States the programing and administration of the agricultural conservation payments program; (2) it would make permanent the ACP program, whereas currently it requires congressional authorization each 2 years.

With regard to the first point above, we must admit that the States have been very slow in accepting their responsibility under this provision of law, however, according to our latest information, there are some 25 States who have State enabling legislation, making it possible for them to fulfill this responsibility. The State of Mississippi has taken leadership with regard to this matter. We have inquired and found that Mississippi is again renewing its efforts in this regard.

We would recommend, therefore, that this provision of law be maintained for the time being in order to give States a continuing opportunity to develop State plans and take over this program.

With regard to point 2 above, with the soil-bank program in operation and with the very difficult situations that have been created by the prolonged droughts in certain areas, we believe it wise for Congress to review the agricultural conservations payments provision of law each 2 years, even though we would anticipate that it would be more or less continuously extended each 2-year period.

We would, therefore, recommend to the subcommittee that they consider very carefully the implications of H. R. 1045 and that action on this bill be delayed in order to give interested groups more opportunity to study the effect of the enactment of this measure and to encourage States to assume their responsibility under the provisions of this statute.

Sincerely yours,

JOHN C. LYNN, *Legislative Director.*

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 4, 1957.

Hon. W. R. POAGE,
Chairman, Conservation and Credit Subcommittee,
House Agriculture Committee,
United States House of Representatives, Washington, D. C.

DEAR CONGRESSMAN POAGE: We have been asked for our comments with regard to H. R. 4404 (Congressman McIntire, of Maine) and certain other proposals being considered by your subcommittee, March 5.

As we understand the provisions of H. R. 4404, which amends section 15 of the Bankhead-Jones Farm Tenant Act as amended, it would use the facilities of this act to encourage local banking institutions to assume more responsibility in meeting the credit needs of farmers in their area. We believe that this principle is sound in that the local banking institutions (1) are better able to judge the credit needs of local applicants and (2) are in a better position to provide supervision and management of such loans.

We therefore recommend favorable consideration of H. R. 4404.

Sincerely yours,

JOHN C. LYNN, *Legislative Director.*

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 4, 1957.

Hon. W. R. POAGE,
Chairman, Conservation and Credit Subcommittee,
House Agriculture Committee,
United States House of Representatives, Washington, D. C.

DEAR CONGRESSMAN POAGE: This is in regard to H. R. 3861, H. R. 3988, and H. R. 4253, and other identical bills, which amend the Bankhead-Jones Farmer Tenant Act as amended to provide more flexibility in refinancing loans and for other purposes.

As we understand the situation now, a farmer with grain, fruit and vegetables, cotton or other similar agricultural commodities is unable to include such items in listing the applicant's personal property in making application for loan under the provision of this act. We believe the restriction of the legislation agreed to last year to applicant's livestock and farm equipment as security for his loan was an oversight and that it is desirable that loan applicants have the opportunity to offer grain, fruit and vegetables, cotton and other similar agricultural commodities as security for loans under this provision.

We recommend favorable consideration by your subcommittee of the proposed amendment.

Sincerely yours,

JOHN C. LYNN, *Legislative Director.*

Mr. POAGE. Is there any other matter to come before the committee before we go into executive session?

We have now, I believe, covered all of the bills that have been referred to the subcommittee.

Do you gentlemen have anything further you would like to bring to our attention?

Mr. HANSEN. Nothing more, Mr. Chairman, other than I want to thank you for this opportunity to appear before this committee.

Mr. POAGE. We are very glad to have you.

The committee will go into executive session.

(Whereupon, at 4:10 p. m., the committee retired into executive session.)

LEGISLATIVE HISTORY

Public Law 85-553
H. R. 1045

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Index and summary of H. R. 1045

Jan.	3, 1957	Rep. Abernethy introduced H. R. 1045 which was referred to the House Agriculture Committee. Print of bill as introduced.
Mar.	18, 1957	House committee ordered H. R. 1045 reported with amendment.
Mar.	21, 1957	House committee reported H. R. 1045 with amendment. H. Report No. 214. Print of bill and report.
Apr.	15, 1957	House passed H. R. 1045 as reported.
Apr.	16, 1957	H. R. 1045 was referred to the Senate Agriculture Committee. Print of bill as referred.
July	3, 1957	Senate committee reported H. R. 1045 with amendment. S. Report No. 581. Print of bill and report.
July	8, 1957	Senate passed H. R. 1045 as reported.
July	16, 1958	House concurred in Senate amendment.
July	25, 1958	Approved: Public Law 85-553.

DIGEST OF PUBLIC LAW 85-553

EXTENSION OF AGRICULTURAL CONSERVATION PROGRAM. Amends Sec. 8 of the Soil Conservation and Domestic Allotment Act so as to extend for 4 years, until December 31, 1962, the authority of the Secretary of Agriculture to administer the agricultural conservation program pending the approval of State plans by the Secretary for the administration of the program by the States.

85TH CONGRESS
1ST SESSION

H. R. 1045

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1957

MR. ABERNETHY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled.*

3 That section 7 of the Soil Conservation and Domestic Allot-
4 ment Act, as amended (16 U. S. C. 590g), is further
5 amended as follows: Subsections (b), (c), (d), (e), (f),
6 and (g), and the subsection designation “(a)” are stricken
7 out.

8 SEC. 2 (a) Subsection (a) of section 8 of said Act, as
9 amended, relating to the period within which the Secretary

1 is authorized to develop programs and make payments
2 directly to farmers for specified purposes, is hereby repealed.

3 (b) The first sentence of subsection (b) of section 8 of
4 said Act, as amended, is amended by striking out the words
5 "Subject to the limitation provided in subsection (a) of
6 this section, the" and inserting in lieu thereof the word
7 "The".

8 (c) Subsections (b), (c), (d), (e), and (f) of sec-
9 tion 8 of said Act, as amended, are redesignated as subsec-
10 tions (a), (b), (c), (d), and (e), respectively.

11 SEC. 3. Sections 8, 9 and 12 of the Soil Conservation
12 and Domestic Allotment Act, as amended, are amended by
13 deleting "7 (a)" wherever it appears and inserting in lieu
14 thereof "7".

15 SEC. 4. Section 388 (a) of the Agricultural Adjust-
16 ment Act of 1938, as amended, is amended by deleting "8
17 (b)" wherever it appears and inserting in lieu thereof
18 "8 (a)".

A BILL

To amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended.

By Mr. ABERNETHY

JANUARY 3, 1957

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued March 19, 1957

For actions of March 18, 1957

85th-1st, No. 46

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: (See Page 7).

HOUSE

WHEAT. The Agriculture Committee reported without amendment S. 323, to continue increased acreage allotments for durum wheat (H. Rept. 198). Rep. Albert announced that this bill will be debated today under suspension of the rules. pp. 3400, 3434

2. AGRICULTURE INVESTIGATIONS. Agreed to as reported H. Res. 163, providing \$50,000 for investigations by the Agriculture Committee. pp. 3405, 3434

3. THE AGRICULTURE COMMITTEE ORDERED THE FOLLOWING BILLS REPORTED:

~~H.R. 3988, to amend the Bankhead Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans; p. D210~~

H.R. 1045, with amendment, to make permanent the Federal administration of the ACP program; p. D210

H.R. 3753, with amendment, to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen: to the same extent as such assistance is available to homestead entrymen: p. D211

4. APPROPRIATIONS. The Appropriations Committee reported (Mar. 15, pursuant to a special order) without amendment H.R. 6070, the independent offices appropriation bill for 1958 (H. Rept. 197). p. 3434

5. FARM INCOME. Rep. Patman discussed the effects of increased interest rates on the income of farmers. pp. 3409-10
6. FISHERIES. Agreed to as reported H. Res. 179, providing \$50,000 for investigations by the Merchant Marine and Fisheries Committee. p. 3405
7. FEDERAL FINANCES. Received from the Treasury Department a report on the finances of the Federal Government for the 1955 fiscal year (H. Doc. 3). p. 3433
8. PERSONNEL. Received from the Labor Department a proposed bill to provide for the reimbursement of expenditures from the Employees' Compensation Fund by Federal employing agencies; to Education and Labor Committee. p. 3433
Received from the Labor Department a proposed bill to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the U. S.; to Education and Labor Committee. p. 3433
9. FEDERAL OFFICE SPACE. Received from the GSA a proposed bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of GSA to lease space for Federal agencies for periods not exceeding 30 years; to Government Operations Committee. p. 3433

SENATE

10. LOANS. Received from the Mont. Legislature a resolution urging legislation to forestall any increase in Veterans' Administration guaranteed loan interest rates, to authorize an increase in loan funds, to prohibit discounting of such mortgages, and to raise the maximum allowable loans. p. 3339
11. PERSONNEL. Both Houses received from the President the annual report of the Civil Service Commission for fiscal year 1956. pp. 3333, 3406
12. TERRITORIES. Received from the Department of Commerce a proposed bill to amend 63 Stat. 907, authorizing the Department of Commerce to provide medical and other facilities for itself and Federal agencies in Alaska and other places. p. 3338
Sen. Neuberger criticized the President for neglecting to appoint a Governor of Alaska to officiate during the biennial session of the territorial legislature. p. 3364
13. ROADS. Both Houses received from the Department of Commerce a proposed bill to amend the Federal-Aid Road Act to promote the control of advertising along the National System of Interstate Highways. pp. 3338, 3433
14. COLUMBIA RIVER. Received a resolution of the Ore. Legislature urging a widened ship channel from Portland to the Pacific. p. 3338
Passed without amendment S. 1482, to amend the Columbia Basin Project Act to increase the limitation on the acreage one family might have of irrigated land. p. 3365
15. TAXATION. Received a resolution from the Mont. Legislature urging the Federal Government to deny Wyo. the right to collect sales or use taxes in Yellowstone National Park. p. 3339
Sen. Williams submitted his third annual report on tax delinquencies as of Dec. 31, 1955, showing the employment and income taxes withheld and unpaid. pp. 3366-73

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 22, 1957
For actions of March 21, 1957
85th-1st, No. 49

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HIGHLIGHTS: Senate committee ordered reported compulsory poultry inspection bill. Sen. Schoepel inserted Butz' testimony on operation of Public Law 480. House committee reported bill to continue Federal administration of ACP. House committee reported on Administration plan to improve congressional control of budget. House committee reported Labor-HEW appropriation bill. House committee ordered reported marketing facilities loan bill. (Cont'd page 7).

HOUSE

1. SOIL CONSERVATION. The Agriculture Committee reported with amendment H.R. 1045, to continue Federal administration of the ACP (H. Rept. 214). p. 3705
2. BUDGETING. The Appropriations Committee reported on the administration plan to improve congressional control of the budget (H. Rept. 216). p. 3705
At the end of this Digest is a summary of the report.
3. MARKETING FACILITIES. The Agriculture Committee ordered reported with amendment H.R. 4504, to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities. p. D228
4. INSECT CONTROL. The Research and Extension Subcommittee of the Agriculture Committee ordered reported with amendment to the full committee H.R. 3476, to facilitate the regulation, control, and eradication of plant pests. p. D228
5. PUBLIC LANDS. The Interior and Insular Affairs Committee reported without amendment H.R. 5538, to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the U.S. for military purposes shall not become effective until approved by Act of Congress (H. Rept 215). p. 3705

6. APPROPRIATIONS. The Appropriations Committee reported without amendment H.R. 6287, the Departments of Labor and HEW appropriation bill for 1958 (H. Rept. 217). p. 3705
7. POULTRY INSPECTION. Rep. Dixon expressed satisfaction with the general agreement of witnesses before the Agriculture Committee that compulsory poultry inspection should be administered by this Department, expressed hope for early enactment of this legislation. pp. 3703-04
8. CORN. Rep. Coad requested support of petition to the Secretary to support corn in the commercial corn area at \$1.60 per bushel. p. 3675
9. FOREIGN TRADE. Rep. Lane criticized the lowering of tariff rates on products entering this country in competition with our products. p. 3675
Rep. Bailey criticized the proposed reductions in certain tariff rates to "compensate the United Kingdom and Belgium for the tariff-increase on linen toweling". pp. 3696-97
The Banking and Currency Committee ordered reported H.R. 4136, to extend the period within which the Export-Import Bank may make loans. p. D228
10. REPORTS. This office has received the annual report of the Secretary of the Treasury (H. Doc. 3).
11. RECLAMATION. Agreed to a resolution providing for consideration of H.R. 2146, to amend the Small Reclamation Projects Act so as to retain congressional oversight of the small projects program. p. 3679
12. PAPERWORK MANAGEMENT. Rep. Hays commended Secretary of Defense Wilson's announced elimination of unnecessary reports and the reduction in volume of paperwork, and urged further reductions in Government paperwork. p. 3695
13. ELECTRIFICATION. The Government Operations Committee submitted a report pertaining to private electric utilities organized efforts to influence the Secretary of the Interior (H. Rept. 213). p. 3705
14. WHEAT. Received a Mich. Legislature resolution protesting the proposed revision of official standards for wheat promulgated under the U. S. Grain Standards Act. p. 3706
15. ADJOURNED until Mon., Mar. 25. p. 3705

SENATE

16. POULTRY INSPECTION. Agriculture and Forestry Committee ordered reported a clean bill (in lieu of S. 313, 645, and 1128) to provide compulsory inspection of poultry and poultry products. p. D226
17. PROPERTY; RESEARCH. Agriculture and Forestry Committee ordered reported without amendment, S. 1034, to convey certain research property to the Univ. of Mo. p. D226
18. INSECT CONTROL. The Agriculture and Forestry Committee ordered reported without amendment S. 1442, to aid in the control of plant pests. p. D226
19. FORESTS. The Agriculture and Forestry Committee ordered reported with amendments S. 44, to authorize this Department to exchange certain lands in the Apache National Forest, N. Mex. p. D226

EXTEND AGRICULTURAL CONSERVATION PROGRAM

MARCH 21, 1957.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H. R. 1045]

The Committee on Agriculture, to whom was referred the bill (H. R. 1045) to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert:

That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended by deleting subsection (a) and inserting in lieu thereof:

“(a) The Secretary shall exercise the powers conferred in this section to carry out the purposes specified in section 7 (a), in any year and in any State for which no State plan has been approved for such State pursuant to section 7: *Provided, however,* That the Secretary shall carry out the purposes specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans.”

Amend the title to read:

A Bill to Amend the Soil Conservation and Domestic Allotment Act, as amended.

STATEMENT

The purpose of this bill is to extend indefinitely the authority of the Secretary of Agriculture to administer as a Federal program the agricultural conservation (ACP) program. This is the program under which farmers receive a limited amount of Federal assistance for carrying out on their farms certain specified conservation practices.

The program was first authorized in the Soil Conservation and Domestic Allotment Act of February 29, 1936, in the form of a grant-in-aid program to be operated through the States. The Secretary of Agriculture was authorized to operate the program directly on a national basis only until December 31, 1937, or such earlier time as the States submitted acceptable programs qualifying them for the grant-in-aid operation.

By the act of June 28, 1937 the authority of the Secretary to operate the program, pending approval of State plans, was extended through 1941. Since that time, this authority has been extended periodically, usually for periods of 2 years. Meantime, only 22 States have enacted legislation authorizing State administration of this program. Only one State has ever submitted a program, and this was disapproved by the Department of Agriculture.

The ACP program has become established as one of the soundest elements of our agricultural program and its operation as a direct Federal program administered by the Secretary of Agriculture meets with almost universal approval. Although there appears to be no desire on the part of the States to take over responsibility for this program, the bill will not preclude that action in the future but will simply make it clear that the Secretary of Agriculture has the authority to operate the program in the States until such time as a State may desire to assume responsibility for such administration and submits an acceptable plan for so doing.

It is anticipated that planning, budgeting, and appropriating functions in connection with the ACP program will be substantially simplified by this bill. Instead of the "temporary" extensions of the Secretary's authority from year to year, the bill will give him the authority to carry out the program "in any year and in any State for which no State plan has been approved for such State."

DEPARTMENTAL APPROVAL AND COMMITTEE AMENDMENT

As referred to the committee, the bill would have made certain other changes in the Soil Conservation and Domestic Allotment Act—primarily changes designed to eliminate the unused provisions with respect to State administration of the program. The report of the Department of Agriculture on the bill suggested that those provisions, although unused, be permitted to remain in the act and that the amendment be confined simply to the indefinite extension of authority to operate the program on a Federal basis. The amendment adopted by the committee is the amendment suggested by the Department of Agriculture. Following is the Department's report.

MARCH 4, 1957.

Hon. HAROLD D. COOLEY,

Chairman, Committee on Agriculture.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of January 31, 1957, for a report on H. R. 1045 a bill to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938.

This Department recommends against enactment of H. R. 1045 in its present form, for the reasons stated below following our summary of the bill.

H. R. 1045 provides for striking out all parts of sections 7 and 8 of the Soil Conservation and Domestic Allotment Act, as amended, which authorize administration of the agricultural conservation program through State plans and grants to States and which limit the period within which the Secretary of Agriculture is authorized to develop programs and make payments direct to farmers for the specified purposes.

The proposed amendment of section 388 (a) of the Agricultural Adjustment Act of 1938 is purely technical to bring about conformity with the proposed redesignations of section references in this regard in the Soil Conservation and Domestic Allotment Act, as amended.

Enactment of H. R. 1045 would empower the Secretary to exercise the authority conferred under sections 7-17 of the Soil Conservation and Domestic Allotment Act on a national basis for an indefinite period (without the necessity of seeking legislation every other year to extend the Secretary's authority to administer the program) except with respect to that part of section 16 which was amended by Public Law 1021, approved August 7, 1956, authorizing a Great Plains conservation program to terminate on December 31, 1971. Enactment would not require any change from the present method of administering the program.

The following facts are related to the purpose of H. R. 1045:

(1) During the 21 years that States have had authority to take action to administer the agricultural conservation program enabling legislation has been enacted by and is still effective in 24 States and 2 insular areas. However only one State plan (from the State of Mississippi) for State operation has been submitted to the Secretary (December 1951) and it was inadequate.

(2) Since the original legislation was enacted on February 29, 1936, the Congress has extended the authorized period of Federal operation of the agricultural conservation program 8 different times, for periods ranging from 2 to 5 years. The present authorization will expire on December 31, 1958.

Since section 1 of H. R. 1045, if enacted in its present form, would eliminate all subsection designations in section 7 of the act, the words "and the provisions of section 7 (g)" in the proviso in section 15 of the act also would need to be stricken out.

This Department believes that authority for operating the agricultural conservation program through State plans and grants (if and when States submit acceptable plans), as provided in section 7 (b)-(g), should not be repealed. This appears to be consistent with congressional policy expressed in the Agricultural Act of 1954 which amended section 8 (a) to provide that during the period of Federal operation of the program, "the Secretary shall carry out the provisions specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted." However, it now seems evident that it will not be possible in the near future for all States to assume the responsibility that was anticipated in 1936 when this provision was enacted. Since it is necessary, therefore, to seek from time to time congressional extension of authority for further Federal operation of the program, The Congress may wish to consider it desirable to amend only section 8 (a) of the Soil Conservation and Domestic Allotment Act, to provide authority for the Secretary to administer the program in each State until such time as the State sub-

mits an acceptable plan and assumes this responsibility. The following wording, instead of the provisions of H. R. 1045 in its present form would, we believe, accomplish this change. However, the Department would not wish to deprive the Congress of the opportunity for a periodic review of the program.

"That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended by deleting subsection (a) and inserting in lieu thereof:

"(a) The Secretary shall exercise the powers conferred in this section to carry out the purposes specified in section 7 (a), in any year and in any State for which no State plan has been approved for such State pursuant to section 7: *Provided, however,* That the Secretary shall carry out the purposes specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans."

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed so be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, AS AMENDED

SEC. 8. [(a) In order to carry out the purposes specified in section 7 (a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1959, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, 1958, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1959. During the period prior to January 1, 1959, the Secretary shall carry out the purposes specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans.] (a) *The Secretary shall exercise the powers conferred in this section to carry out the*

purposes specified in section 7 (a), in any year and in any State for which no State plan has been approved for such State pursuant to section 7: Provided, however, That the Secretary shall carry out the purposes specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans.



Union Calendar No. 60

85TH CONGRESS
1ST SESSION

H. R. 1045

[Report No. 214]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1957

Mr. ABERNETHY introduced the following bill; which was referred to the Committee on Agriculture

MARCH 21, 1957

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 7 of the Soil Conservation and Domestic Allot-
4 ment Act, as amended (~~16 U. S. C. 590g~~), is further
5 amended as follows: Subsections ~~(b)~~, ~~(c)~~, ~~(d)~~, ~~(e)~~, ~~(f)~~,
6 and ~~(g)~~, and the subsection designation "~~(a)~~" are stricken
7 out.

8 SEC. 2. ~~(a)~~ Subsection ~~(a)~~ of section 8 of said Act, as
9 amended, relating to the period within which the Secretary

1 is authorized to develop programs and make payments
2 directly to farmers for specified purposes, is hereby repealed.

3 ~~(b)~~ The first sentence of subsection ~~(b)~~ of section 8 of
4 said Act, as amended, is amended by striking out the words
5 "Subject to the limitation provided in subsection ~~(a)~~ of
6 this section, the" and inserting in lieu thereof the word
7 "The".

8 ~~(c)~~ Subsections ~~(b)~~, ~~(c)~~, ~~(d)~~, ~~(e)~~, and ~~(f)~~ of sec-
9 tion 8 of said Act, as amended, are redesignated as subsec-
10 tions ~~(a)~~, ~~(b)~~, ~~(c)~~, ~~(d)~~, and ~~(e)~~, respectively.

11 SEC. 3. Sections 8, 9 and 12 of the Soil Conservation
12 and Domestic Allotment Act, as amended, are amended by
13 deleting "~~7 (a)~~" wherever it appears and inserting in lieu
14 thereof "~~7~~".

15 SEC. 4. Section 388 ~~(a)~~ of the Agricultural Adjust-
16 ment Act of 1938, as amended, is amended by deleting "~~8~~
17 ~~(b)~~" wherever it appears and inserting in lieu thereof
18 "~~8 (a)~~".

19 *That section 8 of the Soil Conservation and Domestic Allot-*
20 *ment Act, as amended (16 U. S. C. 590g), is further*
21 *amended by deleting subsection (a) and inserting in lieu*
22 *thereof:*

23 "*(a) The Secretary shall exercise the powers conferred*
24 *in this section to carry out the purposes specified in section*
25 *7 (a), in any year and in any State for which no State plan*

1 *has been approved for such State pursuant to section 7:*
2 *Provided, however, That the Secretary shall carry out the*
3 *purposes specified in section 7 (a) through State action as*
4 *rapidly as adequate State laws are enacted and satisfactory*
5 *State plans are submitted. Notwithstanding the foregoing*
6 *provisions of this section and section 7, the provisions of this*
7 *section with respect to the State, county, and local committees*
8 *of farmers shall continue in full force and effect for purposes*
9 *other than the administration of State plans."*

Amend the title so as to read: "A bill to amend the
Soil Conservation and Domestic Allotment Act, as
amended."

85TH CONGRESS
1ST SESSION

H. R. 1045

[Report No. 214]

A BILL

To amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended.

By Mr. ABERNETHY

JANUARY 3, 1957

Referred to the Committee on Agriculture

MARCH 21, 1957

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 16, 1957
For actions of April 15, 1957
85th, 1st, No. 66

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HIGHLIGHTS: House passed following bills: Second urgent deficiency appropriation. To extend 1956 price supports for extra long staple cotton. To make permanent Federal administration of ACP. House subcommittee ordered reported bill to provide self-help meat promotion program. House committee reported State-Justice appropriation bill. Sen. Symington urged transfer of Midwest Claypan Research Station to U. of Mo. Sen. Symington submitted and discussed resolution requesting USDA to make study of feed grain program.

SENATE

1. PROPERTY. Sen. Symington discussed S. 1034, to authorize this Department to transfer the Midwest Claypan Experiment Station, McCredie, Mo., to the U. of Mo. He inserted excerpts from the Committee report, and letters from the University and this Department in favor of passage. He presented an amendment to limit such conveyance to conditions set by the Secretary and urged Sen. Morse to withdraw his objection. pp. 5059-62
2. TAXATION. Sen. Wiley urged passage of S. 769, to provide a Federal Tax Commission. pp. 5054-6
3. STATEHOOD. Sen. Church inserted a letter he sent to the President urging statehood for Alaska and Hawaii. p. 5056
4. PERSONNEL. Sen. Johnston declared "there is . . . a glaring need for a labor-management law in Government" and cited the Justice Department's brief opposing additional benefits for Government workers. He inserted Joseph Young's column, "Justice Brief Puts Economy Above Benefits--Savings Get Priority Over Government Work Conditions." pp. 5056-7

5. BUDGETING. Sen. Johnston criticized "the mess in the Post Office Department" and the Director of the Bureau of the Budget claiming this had been a violation of the anti-deficiency law. He inserted the Comptroller General's decision, which concluded that the actions were "inconsistent with the spirit and purpose of the act," if not technically a violation. pp. 5057-9
6. INFORMATION. Sen. Williams criticized the Internal Revenue Service for issuing an order that Sen. William's letters be transmitted to Washington for a reply. p. 5059
7. RECLAMATION. S. J. Res. 12, to transfer the right-of-way for Yellowtail dam and reservoir, was made the unfinished business. p. 5052
8. LEGISLATIVE PROGRAM. Sen. Mansfield stated the Senate would consider S. 1034, to convey the Midwest Claypan Research Station to the U. of Mo., and S. J. Res. 12, to transfer right-of-way for Yellowtail dam and reservoir, and that if the bill to provide a deficiency appropriation for the Post Office were ready it would be considered promptly. p. 5051

HOUSE

9. APPROPRIATIONS. Passed with amendment H.R. 6870, the second urgent deficiency appropriation bill for 1957 (H. Rept. 350). (pp. 5071, 5079-99). A motion to recommit the bill was rejected by a vote of 12 to 121 (p. 5099). A point of order by Rep. Jones, Ala., to strike out the language in the bill which provided that the \$200 million for REA loans may be made available from farm housing funds, was sustained (pp. 5093-5). Also sustained was a point of order by Rep. Bow against the entire REA item because of the provision referred to by Rep. Jones (p. 5095). An amendment by Rep. Marshall, to restore the REA item without the provision regarding farm housing funds, was then agreed to by a vote of 55 to 49 (pp. 5095-6).
The Appropriations Committee reported without amendment H.R. 6871, the State, Justice, Judiciary and related agencies appropriation bill for 1958 (H. Rept. 351). p. 5112
10. SOIL CONSERVATION. Passed as reported H.R. 1045, to remove the time limit on Federal administration of the ACP but to retain the authority for State administration if State plans are submitted and approved. p. 5077
11. COTTON. Passed without amendment S. 812, to amend the Agricultural Act of 1949 so as to continue the price support for extra long staple cotton at the 1956 rate. A similar bill (H.R. 3654) was laid on the table. This bill will now be sent to the President. p. 5078
12. FARM LOANS. Passed over, at the request of Reps. Marshall and Lanham, H.R. 3753, to enable this Department to extend financial assistance to desertland entrymen to the same extent as such assistance is available to homestead entrymen. p. 5076
13. FORESTRY. Received from this Department a notice of the intention of the Departments of Army and Agriculture to interchange jurisdiction of military and national forest lands; to Agriculture Committee. p. 5112
Received from the Interior Department proposed legislation to establish uniform procedures relating to the acquisition of non-Federal land for purposes of the national park system; to Interior and Insular Affairs Committee. p. 5112
Received an Alaska Legislature memorial requesting that Alaska be granted title to its shorelands, tide and submerged lands, and its inland waters. p. 5114

LIMITING PAYMENTS TO CERTAIN BENEFICIARIES OF CERTAIN VETERANS

The Clerk called the bill (H. R. 72) to amend section 21 of the World War Veterans' Act, 1924, to provide for the disposition of certain benefits which are unpaid at the death of the intended beneficiary.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTEND AGRICULTURAL CONSERVATION PROGRAM

The Clerk called the bill (H. R. 1045) to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if I may have the attention of somebody from the Committee on Agriculture.

I do not question at all the merits of the conservation program. That is not dealt with in this bill, but if I understand correctly, this program since its inauguration in 1936 has been a program of Federal grants-in-aid to the States.

Mr. ABERNETHY. That is correct.

Mr. BYRNES of Wisconsin. And this bill would change that so that from here on it would be a direct Federal program. Am I correct in that?

M. ABERNETHY. No. The bill does not change the character of the program at all. The program every year has to run the congressional gauntlet of an extension. That is an extension for 2 years ever since 1936. The bill is always carried on the Consent Calendar and has been passed by unanimous consent for a number of years. At the present time the Department has a budget problem which is rather serious. They have reason to believe that the program will be continued every 2 years, but they do not actually know that. Nevertheless, they proceed with setting up their budget down there, but the time may come when they may run into a controversy about that. The Department is heartily in favor of the legislation, and it came from the committee by a unanimous report.

Mr. BYRNES of Wisconsin. I understand there is no change made in the basic philosophy or the basic operation of the program. The only thing you do in this bill is to make it permanent rather than a temporary character.

Mr. ABERNETHY. That is right. There is no change whatever in the basic philosophy of the bill.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 7 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended as follows: Subsections (b), (c), (d), (e), (f), and (g), and the subsection designation "(a)" are stricken out.

SEC. 2. (a) Subsection (a) of section 8 of said act, as amended, relating to the period within which the Secretary is authorized to develop programs and make payments directly to farmers for specified purposes, is hereby repealed.

(b) The first sentence of subsection (b) of section 8 of said act, as amended, is amended by striking out the words "Subject to the limitation provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The."

(c) Subsections (b), (c), (d), (e), and (f) of section 8 of said act, as amended, are redesignated as subsections (a), (b), (c), (d), and (e), respectively.

SEC. 3. Sections 8, 9, and 12 of the Soil Conservation and Domestic Allotment Act, as amended, are amended by deleting "7 (a)" wherever it appears and inserting in lieu thereof "7."

SEC. 4. Section 388 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting "8 (b)" wherever it appears and inserting in lieu thereof "8 (a)."

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert: "That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended by deleting subsection (a) and inserting in lieu thereof:

"(a) The Secretary shall exercise the powers conferred in this section to carry out the purposes specified in section 7 (a), in any year and in any State for which no State plan has been approved for such State pursuant to section 7: *Provided, however,* That the Secretary shall carry out the purposes specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill to amend the Soil Conservation and Domestic Allotment Act, as amended."

A motion to reconsider was laid on the table.

PEREMPTORY CHALLENGES IN CIVIL SUITS

The Clerk called the bill (H. R. 3368) to amend section 1870 of title 28, United States Code, to authorize the district courts to allow additional peremptory challenges in civil cases to multiple plaintiffs as well as multiple defendants.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM of Iowa. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee exactly how this bill will operate.

Mr. ROGERS of Colorado. This was reported unanimously from the Committee on the Judiciary. The present operation of the peremptory challenge is limited to three on each side, with the proviso that the judge may, in his discretion, give additional peremptory challenges to the defendant.

Mr. CUNNINGHAM of Iowa. Does the gentleman believe that this bill may put a burden upon Federal judges that is not now there, that will become embarrassing to the judiciary?

Mr. ROGERS of Colorado. No; it will not. All it does is to equalize and give to the judge the right to extend to the defendant as well as the plaintiff additional peremptory challenges.

Mr. CUNNINGHAM of Iowa. Would this bill be an opening wedge to extending the same privilege in criminal cases?

Mr. ROGERS of Colorado. No. This has nothing to do with criminal cases.

Mr. CUNNINGHAM of Iowa. Has there been any hearing before your committee at any time about giving the same right to defendants in criminal cases? Frankly, that is what I am afraid of.

Mr. ROGERS of Colorado. It has nothing to do with criminal cases. This is recommended by the Judicial Conference. The question as it may relate to criminal proceedings, will be met when presented.

We feel that it would be disadvantageous to continue civil actions whereby you give to one party, that is, the defendants, in a civil action, the right to appeal to the judge to get extra peremptory challenges, but the same right is not granted to the plaintiff.

All this does is to equalize the number of challenges available to each side and say that whether you are plaintiff or defendant, if you can convince the judge of the necessity for extra challenges, he may grant them to both sides.

Mr. CUNNINGHAM of Iowa. I thank the gentleman. One further question: In case there should be a multitude of defendants, like several hundred in one case, it is entirely up to the judge whether or not he grants the right of additional peremptory challenges.

Mr. ROGERS of Colorado. The gentleman is absolutely correct.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That section 1870 of title 28, United States Code, is amended to read as follows:

"§ 1870. Challenges

"In civil cases, each party shall be entitled to three peremptory challenges. Several defendants or several plaintiffs may be considered as a single party for the purposes of

making challenges, or the court may allow additional peremptory challenges and permit them to be exercised separately or jointly. "All challenges for cause or favor, whether to the array or panel or to individual jurors, shall be determined by the court."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

USE OF CERTIFIED MAIL IN SUMMONING JURORS

The Clerk called the bill (H. R. 3367) to amend section 1867 of title 28 of the United States Code to authorize the use of certified mail in summoning jurors.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1867 of title 28, United States Code, is amended to read as follows:

"§ 1867. Summoning jurors

"When the court orders a grand or petit jury to be drawn the clerk shall issue summons for the required number of jurors and deliver them to the marshal for service.

"Each person drawn for jury service may be served personally or by registered or certified mail addressed to such person at his usual residence or business address.

"Such service shall be made by the marshal who shall attach to his return the addressee's receipt for the registered or certified summons, where service is made by mail."

SUSPENDING APPLICATION OF CERTAIN FEDERAL LAWS

The Clerk called the resolution (H. J. Res. 230) to suspend the application of certain Federal laws with respect to personnel employed by the House Committee on Ways and Means in connection with the investigations ordered by House Resolution 104, 85th Congress.

Mr. SISK. Mr. Speaker, reserving the right to object, and I do so to ask the gentleman from Louisiana or some gentleman from the Committee on the Judiciary a question. What I have in mind particularly is the extent to which the committee will have in mind conflict of interest. I ask this because of some experiences we had last year on certain tariff matters, and I am concerned about that particular issue.

Mr. ROGERS of Colorado. As the gentleman knows, the law at the present time prohibits one with a conflict of interest to take employment with the Government and keeps him from considering other employment after it is over. To the extent that the Ways and Means Committee anticipates the use of these employees is not certain. However, we feel that we should waive it in this special investigation.

Mr. SISK. I realize, I might say to the gentleman from Colorado, that they have certain problems with reference to securing experts, or people who are thoroughly familiar with tariff matters which are technical, but I am interested in a determination as to what the committee feels to be its responsibility in the case where a possible conflict of interest might arise under this provision.

Mr. ROGERS of Colorado. I do not know what the Ways and Means Com-

mittee may have in mind in that regard, but it would be well for the committee in the exercise of its judgment not to bring in a party who has outside interests which would benefit from information he got through his work on the committee.

Mr. SISK. Mr. Speaker, I withdraw my reservation of objection and ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

RELINQUISHMENT OF THE OFFICE OF CHIEF JUDGE

The Clerk called the bill (H. R. 985) to provide that chief judges of circuits and district courts shall cease to serve as such upon reaching the age of 70.

Mr. O'HARA of Illinois. Mr. Speaker, reserving the right to object, do I understand that under this bill a judge who is 70 years of age, who may be of the greatest worth to the court, who has no physical impairment and whose brain, if anything, is keener than in his younger years, but merely because of years, would have to retire?

Mr. ROGERS of Colorado. The answer to the gentleman's question is "No." The present statute requires the senior circuit judge and senior district judge to handle administrative work. This bill, if it is adopted, would require that a senior judge, on reaching the age of 75 years, will be relieved of his duties and responsibilities in the administrative field only. He will still continue to hold his office as a Federal judge. That is the only object and purpose of this legislation.

Mr. O'HARA of Illinois. Then, as I understand the gentleman, the bill is in line with much that is being done now to measure persons not by their worth and their actual physical soundness and mental alertness, but the number of years they have lived. It presumes that when any man is 70 or 75 it is time to step out.

Mr. ROGERS of Colorado. No.

Mr. O'HARA of Illinois. I do not like this kind of legislation. Compulsory retirement of educators, policemen, judges, and others is responsible for a waste we can ill afford. It is discrimination in its ugliest form. Every person should be judged by what he actually is, and not by the years of a calendar.

Mr. ROGERS of Colorado. I may say to the gentleman that we have a number of judges who have passed the age of 75 and who insist upon handling mere details of the administrative functions of the court, with the result it has impaired the efficiency of some of the district courts and some of the circuit courts. We provide a method that when he reaches the age of 75 he will not be burdened with this responsibility. We provide that the judge who will succeed him must have had at least 1 year's experience as a judge in the district or circuit.

Mr. O'HARA of Illinois. You get rid of him kindly. You do not shoot him, you just chloroform him.

Mr. ROGERS of Colorado. No, we do not shoot him. We just say: You do not have to do as much work. If you want to, you can continue and decide a few more cases and not devote your whole time and interest to administrative details with reference to which clerk and which case shall be assigned to whom. If he is 75 or 85 and wants to continue he may do so under this bill. It would just relieve him of a lot of petty details.

Mr. BYRNES of Wisconsin. I think there may be a little confusion. The bill itself refers to the age 70.

Mr. ROGERS of Colorado. Yes.

Mr. BYRNES of Wisconsin. With the committee amendments I think it should be pointed out they raise the age to 75. It does not go into effect at 70 but at 75.

Mr. O'HARA of Illinois. Mr. Speaker, I think this is the sort of legislation that should not be on the Consent Calendar so I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTRA LONG STAPLE COTTON PRICE SUPPORT LEVEL

The Clerk called the bill (H. R. 3654) to amend the Agricultural Act of 1949 with respect to price support for extra long staple cotton.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 812) to amend the Agricultural Act of 1949 with respect to price support for extra long staple cotton, and to substitute the Senate bill, which is a similar bill, for H. R. 3654.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted, etc., That the first sentence of section 101 (f) of the Agricultural Act of 1949, as amended, is amended to read as follows:

"The provisions of this act relating to price support for cotton shall apply severally to (1) American upland cotton and (2) extra long staple cotton described in subsection (a) and ginned as required by subsection (e) of section 347 of the Agricultural Adjustment Act of 1938, as amended, except that, notwithstanding any of the foregoing provisions of section 101 of this act, the level of support to cooperators for the 1957 and each subsequent crop of extra long staple cotton, if producers have not disapproved marketing quotas therefor, shall be the same percentage of the parity price as for the 1956 crop."

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H. R. 3654) was laid on the table.

A motion to reconsider was laid on the table.

H. R. 1045

IN THE SENATE OF THE UNITED STATES

APRIL 16, 1957

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Soil Conservation and Domestic Allotment Act, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 8 of the Soil Conservation and Domestic Allot-
4 ment Act, as amended (16 U. S. C. 590g), is further
5 amended by deleting subsection (a) and inserting in lieu
6 thereof:

7 “(a) The Secretary shall exercise the powers conferred
8 in this section to carry out the purposes specified in section
9 7 (a), in any year and in any State for which no State plan
10 has been approved for such State pursuant to section 7:
11 *Provided, however,* That the Secretary shall carry out the
12 purposes specified in section 7 (a) through State action as
13 rapidly as adequate State laws are enacted and satisfactory
14 State plans are submitted. Notwithstanding the foregoing

85TH CONGRESS
1ST SESSION

H. R. 1045

AN ACT

To amend the Soil Conservation and Domestic Allotment Act, as amended.

APRIL 16, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 5, 1957
For actions of July 3, 1957
85th-1st, No. 116

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HIGHLIGHTS: Senate committee reported bills to make permanent Federal administration of ACP, and to provide stand-by authority for crop reinsurance in Puerto Rico. Sen. Cooper urged continuation of ACP cost-sharing practices. Sen. Neuberger criticized President's statement on inflationary effect of farm program. Sen. Murray and others introduced and Sen. Murray discussed bill to repeal timber Sustained Yield Act.

SENATE

1. CROP INSURANCE. The Agriculture and Forestry Committee reported without amendment H.R. 632, to extend crop reinsurance to Puerto Rico (S. Rept. 580). p. 9776
2. SOIL CONSERVATION. The Agriculture and Forestry Committee reported with amendment H.R. 1045, to remove the time limit on Federal administration of ACP but to retain the authority for State administration if State plans are submitted and approved (S. Rept. 581). ~~p. 9776~~
Sen. Cooper urged the Secretary to continue the cost-sharing practices under the Agricultural Conservation Program, particularly those for sharing the cost of supplying certain minerals to increase soil fertility. pp. 9813-14
3. FARM PRICES. Sen. Neuberger criticized the President's statement concerning the relationship of the increase in the cost of living to farm price increases and the farm program. pp. 9788-9
4. MINERALS. The Interior and Insular Affairs Committee reported with amendments S. 2069, to promote the development of coal on the public domain (S. Rept. 576). p. 9776

5. PERSONNEL. The Daily Digest states: "Committee on Post Office and Civil Service: Subcommittee on Federal Employee's Compensation held an executive session and rescinded its previous action on S. 27, to increase rates of basic compensation of employees in the field service of Post Office Department and S. 734, to revise the basic compensation schedules of the Classification Act of 1949, which action was to grant \$500 increases across the board in all levels and all grades. In lieu of this action, the subcommittee today agreed to provide a 7½ percent increase across the board in all levels and all grades, and also agreed to a \$240 temporary cost-of-living adjustment in the first five levels of the postal field service schedule." p. D615
The Joint Committee on Reduction of Nonessential Federal Expenditures inserted its report on Federal employment and pay for May, 1957. pp. 9776-80.
6. TRANSPORTATION. Passed with an amendment (by Sen. Smathers, to allow a contract carrier serving but one shipper for not less than a year to file minimum charges unless the ICC decides otherwise) S. 943, to require contract carriers by motor vehicles to file actual rates or charges with the ICC. pp. 9794-5
Passed without amendment S. 1461, to permit revocation of operating authorities for non-willful (as well as willful) offenses, and to change certain revocation procedures. pp. 9809-10
Passed as reported S. 1383, to require freight forwarders to obtain certificates of public convenience and necessity. p. 9810
7. BUILDINGS. Passed without amendment S. 2261 to amend and extend the Public Buildings Purchase Contract Act of 1954 and to require certain distribution and approval of Congress for such projects. pp. 9805-6
8. RECLAMATION. Passed as reported S. 977, to suspend and modify the application of the excess land provisions of the Federal reclamation laws to lands in the East Bench unit, Mo. River Basin Project. pp. 9810-11
9. SMALL BUSINESS. The Banking and Currency Committee ordered reported H.R. 7963, to extend the Small Business Act of 1953 for one year and increase the SBA loan authority by \$75 million. p. D614
10. ELECTRIFICATION; RECLAMATION. Sen. Murray stated his regret at the action of the House Interior and Insular Affairs Committee on the Hells Canyon dam bill, and inserted an editorial on the subject. p. 9787
11. FARM PROGRAM. Sen. Kefauver expressed regret of the death of Knox T. Hutchinson, former Assistant Secretary of Agriculture. p. 9806
12. MONOPOLIES. Sen. Kefauver discussed a proposed National Chamber of Commerce meeting to discuss monopoly and urged more discussion of such economic problems. pp. 9806-7
13. LEGISLATIVE PROGRAM. Sen. Mansfield stated that, conditions permitting, the Senate on Mon., July 8, would take up and consider S. 2406, to authorize the construction of electrification works on the Niagara River, and S. 1869, to amend the TVA Act to allow the issuing of bonds to finance the TVA power program (p. 9813). Sen. Knowland announced his intention to call up H.R. 6127, proposed civil rights legislation, following the conclusion of the pending business on Mon., July 8 (p. 9814).
14. ADJOURNED until Fri., July 5. p. 9814

EXTEND AGRICULTURAL CONSERVATION PROGRAM

JULY 3, 1957.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H. R. 1045]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 1045) to amend the Soil Conservation and Domestic Allotment Act, as amended, having considered the same, report thereon with a recommendation that it do pass with an amendment.

The committee substitute would extend for 4 additional years (until December 31, 1962) the authority of the Secretary of Agriculture to administer the agricultural conservation program pending the approval of State plans. This authority was originally given to the Secretary in 1936 for a 2-year period, and has been extended from time to time since then. Only 24 States now have legislation authorizing State plans, and it is not likely that the States will assume administration of the program in the near future. However, provision for the submission and approval of State plans is maintained in the law.

The bill as passed by the House would have extended the Secretary's authority indefinitely, but your committee believes that the program is one which should receive periodic review by Congress and therefore recommends that the present extension be limited to 4 years.

Since the bill simply extends provision for administration by the Secretary of Agriculture of an existing program, it does not provide for the expenditures of funds for any new activity.

The report of the House Committee on Agriculture is attached.

[H. Rept. No. 214, 85th Cong., 1st sess.]

The Committee on Agriculture, to whom was referred the bill (H. R. 1045) to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended, having considered the same report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert:

That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended by deleting subsection (a) and inserting in lieu thereof:

"(a) The Secretary shall exercise the powers conferred in this section to carry out the purposes specified in section 7 (a), in any year and in any State for which no State plan has been approved for such State pursuant to section 7: *Provided, however,* That the Secretary shall carry out the purposes specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans."

Amend the title to read:

A bill to amend the Soil Conservation and Domestic Allotment Act, as amended.

STATEMENT

The purpose of this bill is to extend indefinitely the authority of the Secretary of Agriculture to administer as a Federal program the agricultural conservation (ACP) program. This is the program under which farmers receive a limited amount of Federal assistance for carrying out on their farms certain specified conservation practices.

The program was first authorized in the Soil Conservation and Domestic Allotment Act of February 29, 1936, in the form of a grant-in-aid program to be operated through the States. The Secretary of Agriculture was authorized to operate the program directly on a national basis only until December 31, 1937, or such earlier time as the States submitted acceptable programs qualifying them for the grant-in-aid operation.

By the act of June 28, 1937, the authority of the Secretary to operate the program, pending approval of State plans, was extended through 1941. Since that time, this authority has been extended periodically, usually for periods of 2 years. Meantime, only 22 States have enacted legislation authorizing State administration of this program. Only one State has ever submitted a program, and this was disapproved by the Department of Agriculture.

The ACP program has become established as one of the soundest elements of our agricultural program and its operation as a direct Federal program administered by the Secretary of Agriculture meets with almost universal approval. Although there appears to be no desire on the part of the States to take over responsibility for this program, the bill will not preclude that action in the future but will simply make it clear that the Secretary of Agriculture has the authority to operate the program in the States until such time as a State may desire to assume responsibility for such administration and submits an acceptable plan for so doing.

It is anticipated that planning, budgeting, and appropriating functions in connection with the ACP program will be substantially simplified by this bill. Instead of the "temporary" extensions of the Secretary's authority from year to year, the bill will give him the authority to carry out the program "in any year and in any State for which no State plan has been approved for such State."

DEPARTMENTAL APPROVAL AND COMMITTEE AMENDMENT

As referred to the committee, the bill would have made certain other changes in the Soil Conservation and Domestic Allotment Act—primarily changes designed to eliminate the unused provisions with respect to State administration of the program. The report of the Department of Agriculture on the bill suggested that those provisions, although unused, be permitted to remain in the act and that the amendment be confined simply to the indefinite extension of authority to operate the program on a Federal basis. The amendment adopted by the committee is the amendment suggested by the Department of Agriculture. Following is the Department's report:

MARCH 4, 1957.

HON. HAROLD D. COOLEY,

Chairman, Committee on Agriculture.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of January 31, 1957, for a report on H. R. 1045, a bill to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938.

This Department recommends against enactment of H. R. 1045 in its present form, for the reasons stated below following our summary of the bill.

H. R. 1045 provides for striking out all parts of sections 7 and 8 of the Soil Conservation and Domestic Allotment Act, as amended, which authorize administration of the agricultural conservation program through State plans and grants to States and which limit the period within which the Secretary of Agriculture is authorized to develop programs and make payments direct to farmers for the specified purposes.

The proposed amendment of section 388 (a) of the Agricultural Adjustment Act of 1938 is purely technical to bring about conformity with the proposed redesignations of section references in this regard in the Soil Conservation and Domestic Allotment Act, as amended.

Enactment of H. R. 1045 would empower the Secretary to exercise the authority conferred under sections 7-17 of the Soil Conservation and Domestic Allotment Act on a national basis for an indefinite period (without the necessity of seeking legislation every other year to extend the Secretary's authority to administer the program) except with respect to that part of section 16 which was amended by Public Law 1021, approved August 7, 1956, authorizing a Great Plains conservation program to terminate on December 31, 1971. Enactment would not require any change from the present method of administering the program.

The following facts are related to the purpose of H. R. 1045:

(1) During the 21 years that States have had authority to take action to administer the agricultural conservation program enabling legislation has been enacted by and is still effective in 24 States and 2 insular areas. However, only one State plan (from the State of Mississippi) for State operation has been submitted to the Secretary (December 1951) and it was inadequate.

(2) Since the original legislation was enacted on February 29, 1936, the Congress has extended the authorized period of Federal operation of the agricultural conservation program 8 different times, for periods

ranging from 2 to 5 years. The present authorization will expire on December 31, 1958.

Since section 1 of H. R. 1045, if enacted in its present form, would eliminate all subsection designations in section 7 of the act, the words "and the provisions of section 7 (g)" in the proviso in section 15 of the act also would need to be stricken out.

This Department believes that authority for operating the agricultural conservation program through State plans and grants (if and when States submit acceptable plans), as provided in section 7 (b)-(g), should not be repealed. This appears to be consistent with congressional policy expressed in the Agricultural Act of 1954 which amended section 8 (a) to provide that during the period of Federal operation of the program, "the Secretary shall carry out the provisions specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted." However, it now seems evident that it will not be possible in the near future for all States to assume the responsibility that was anticipated in 1936 when this provision was enacted. Since it is necessary, therefore, to seek from time to time congressional extension of authority for further Federal operation of the program, the Congress may wish to consider it desirable to amend only section 8 (a) of the Soil Conservation and Domestic Allotment Act, to provide authority for the Secretary to administer the program in each State until such time as the State submits an acceptable plan and assumes this responsibility. The following wording, instead of the provisions of H. R. 1045 in its present form, would, we believe, accomplish this change. However, the Department would not wish to deprive the Congress of the opportunity for a periodic review of the program.

"That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended by deleting subsection (a) and inserting in lieu thereof:

"(a) The Secretary shall exercise the powers conferred in this section to carry out the purposes specified in section 7 (a), in any year and in any State for which no State plan has been approved for such State pursuant to section 7: *Provided, however,* That the Secretary shall carry out the purposes specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans."

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, AS AMENDED

* * * * *

SEC. 8. (a) In order to carry out the purposes specified in section 7 (a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, [1959] 1963, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, [1958] 1962, except with respect to payments or grants in connection with farming operations carried out prior to January 1, [1959] 1963.

* * * * *



Calendar No. 595

85TH CONGRESS
1ST SESSION

H. R. 1045

[Report No. 581]

IN THE SENATE OF THE UNITED STATES

APRIL 16, 1957

Read twice and referred to the Committee on Agriculture and Forestry

JULY 3, 1957

Reported by Mr. ELLENDER, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend the Soil Conservation and Domestic Allotment Act, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 8 of the Soil Conservation and Domestic Allot-
4 ment Act, as amended (16 U. S. C. 590g), is further
5 amended by deleting subsection (a) and inserting in lieu
6 thereof:

7 ~~“(a)~~ The Secretary shall exercise the powers conferred
8 in this section to carry out the purposes specified in section
9 7 ~~(a)~~, in any year and in any State for which no State plan
10 has been approved for such State pursuant to section 7:
11 *Provided, however, That the Secretary shall carry out the*

1 purposes specified in section 7 (a) through State action as
2 rapidly as adequate State laws are enacted and satisfactory
3 State plans are submitted. Notwithstanding the foregoing
4 provisions of this section and section 7, the provisions of this
5 section with respect to the State, county, and local committees
6 of farmers shall continue in full force and effect for purposes
7 other than the administration of State plans.”
8 *That section 8 of the Soil Conservation and Domestic Allot-*
9 *ment Act, as amended (16 U. S. C. 590h), is amended by*
10 *striking out of subsection (a) “January 1, 1959” and “De-*
11 *cember 31, 1958”, wherever they appear therein, and insert-*
12 *ing in lieu thereof “January 1, 1963” and “December 31,*
13 *1962”, respectively.*

Passed the House of Representatives April 15, 1957.

Attest:

RALPH R. ROBERTS,

Clerk.

85TH CONGRESS
1ST SESSION

H. R. 1045

[Report No. 581]

AN ACT

To amend the Soil Conservation and Domestic
Allotment Act, as amended.

APRIL 16, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

JULY 3, 1957

Reported with an amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 9, 1957
For actions of July 8, 1957
85th-1st, No. 118

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HIGHLIGHTS: Senate passed bills to: Extend authority for Federal administration of ACP. Provide standby authority for crop reinsurance in Puerto Rico. Sen. Humphrey criticized USDA disaster relief efforts in Minn.. Sen. Humphrey introduced and discussed bill to provide for control of noxious weeds on Federal lands.

SENATE

1. CROP INSURANCE. Passed without amendment H.R. 632, to extend standby authority for crop reinsurance to Puerto Rico. This bill will now be sent to the President. p. 9894
2. SOIL CONSERVATION. Passed as reported H.R. 1045, to extend until Dec. 31, 1962, the authority of the Secretary to administer the agricultural conservation payment program pending approval of State plans for administration of the program.
3. APPROPRIATIONS. Sen. Johnson inserted a table showing Senate action on the various appropriation bills. p. 9894
4. DISASTER RELIEF. Sen. Humphrey criticized the Department's efforts to bring assistance to flooded farmers in Minn., and inserted his letter to the Secretary urging coordinated action, and three farmer resolutions requesting special FHA loans. pp. 9919-20
5. MEATPACKING. The Daily Digest announced that the Judiciary Committee "defeated an amendment proposed by Sen. Dirksen to S. 1356, to amend the anti-trust laws by vesting in FTC jurisdiction to prevent monopolistic practices in commerce in the meat industry." p. D622

6. NEWSPRINT. At the request of Sen. Talmadge passed over S. Con. Res. 20, authorizing FTC to investigate newsprint producers. p. 9887
7. RECREATION. At the request of Sens. Barrett and Talmadge passed over S. 1164, to make the evaluation of recreational benefits part of the planning for any water resources project. p. 9887
8. ATOMIC ENERGY. At the request of Sen. Clark passed over S. 2051, to amend the Atomic Energy Act of 1954 to provide liability protection for nuclear power-plants. p. 9887
9. TRANSPORTATION. At the request of Sen. Clark passed over S. 377, to make final certain contracts between the Government and common carriers. p. 9887
10. PERSONNEL. At the request of Sen. Barrett passed over S. 25, to relate the effective date of wage-board employees wage increases to the wage survey date. p. 9887
11. SAFETY. At the request of Sen. Barrett passed over S. 931, to reorganize the safety functions of the Government. p. 9887
12. WATER RESOURCES. At the request of Sen. Barrett passed over S. Con. Res. 28, to print a compilation of materials relating to the development of water resources in the Columbia River Basin. p. 9887
13. HOUSING. At the request of Sens. Talmadge and Barrett passed over H.R. 4602, to encourage veteran's residential construction in rural areas by raising the maximum limits for direct loans. p. 9887
14. FOREIGN TRADE; SURPLUS COMMODITIES. Sen. Humphrey inserted Sen. Cooper's statement before the Senate Agriculture and Forestry Committee on the operation under Public Law 480. pp. 9880-2
15. FLOOD CONTROL. Sen. Johnson urged greater efforts to control floods in the Southwest. pp. 9839-40
16. MARKETING. Sen. Wiley inserted a resolution from the Milwaukee city council urging enactment of H.R. 4504, to provide Federal aid in financing produce market improvements. p. 9840
17. ELECTRIFICATION. S. 2406, to construct improvement works for power in the Niagara River, became the Senate's unfinished business. pp. 9875, 9888, 9897-
Sen. Morse inserted a letter criticizing private power companies for urging that private utilities construct the John Day dam. p. 9855
18. LEGISLATIVE PROGRAM. Sen. Johnson announced that until disposition of H.R. 6127, the Civil Rights bill, "The minority leader has pointed out that he does not intend to have other proposed legislation brought before the Senate except measures of an extreme emergency nature which can be agreed on by unanimous consent." pp. 9897-8

HOUSE

19. PUBLIC LANDS. Rep. Natcher discussed the problems of local communities caused by Federal ownership of large areas of land, and suggested that "every effort should be made by the Federal Government to release as much of this land as possible which is not necessary for the security of our Nation." pp. 9952-53

ated by this legislation and that the bill will add materially to the economic growth and development of all of the mountain West.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL CROP INSURANCE ACT

The bill (H. R. 632) to amend the Federal Crop Insurance Act, as amended, was considered, ordered to a third reading, read the third time, and passed.

Mr. ELLENDER subsequently said: Mr. President, I ask unanimous consent that a statement in explanation of H. R. 632 be printed in the RECORD at the point in the RECORD where the bill was passed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ELLENDER

This bill would authorize the Federal Crop Insurance Corporation to reinsure crop insurance issued by the Commonwealth of Puerto Rico. Such reinsurance would be provided only under terms and conditions consistent with sound reinsurance principles, and then only if private reinsurance should become unavailable. The bill's purpose is to provide a safeguard for the Puerto Rican coffee crop insurance program, if private reinsurance contracts should suddenly be terminated; and no cost to the Government is contemplated.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The Senate proceeded to consider the bill (H. R. 1045) to amend the Soil Conservation and Domestic Allotment Act, as amended, which had been reported from the Committee on Agriculture with an amendment to strike out all after the enacting clause and insert:

That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h), is amended by striking out of subsection (a) "January 1, 1959" and "December 31, 1958", wherever they appear therein, and inserting in lieu thereof "January 1, 1963" and "December 31, 1962", respectively.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. ELLENDER subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD at the point where H. R. 1045 was passed, a statement in explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ELLENDER

This bill would extend the Secretary of Agriculture's authority to administer the agricultural conservation payment program pending the approval of State plans. When the program was authorized in 1936, it was contemplated that it would be carried out by the States with the aid of Federal grants. In order to give the States an opportunity to pass authorizing legislation and submit appropriate plans, the Secretary of Agriculture was given authority to administer the program for 2 years. The Secretary's authority has since been extended from time to time, and the latest extension is effective until December 31, 1958. Only 24 States now have authorizing legislation and it is not likely that the States will assume administration of the program in the near future, although the bill still provides for State administration.

As passed by the House, the bill would have extended the Secretary's authority indefinitely, so long as State plans are not approved. The Senate Committee on Agriculture and Forestry has recommended that the bill be extended only for 4 years, until December 31, 1962, provided, of course, that State plans are not approved in the meantime. The committee felt that this program is one for which the authorizing

legislation should be reviewed by Congress from time to time, and the committee substitute consequently would limit the extension to 4 years.

The PRESIDING OFFICER. That concludes the call of the calendar.

STATUS OF APPROPRIATION BILLS AS OF JULY 8, 1957

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry. The—

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. What is the pending business?

The PRESIDING OFFICER. The pending business is the Niagara power bill.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement relative to the status of appropriation bills as of July 8, 1957.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Status of appropriation bills as of July 8, 1957

Bill	Subcommittee chairman	Passed House	Status
2d urgent deficiency, 1957.....	Hayden.....	Apr. 15	Passed Senate Apr. 16, approved Apr. 16, Public Law 15.
Additional deficiency, 1957.....	do.....	Apr. 17	Passed Senate Apr. 18, approved Apr. 20, Public Law 19.
Treasury-Post Office.....	Robertson.....	Feb. 20	Passed Senate May 13, approved May 28, Public Law 37.
General Government matters.....	Magnuson.....	Mar. 13	Passed Senate May 22, approved June 5, Public Law 48.
State-Justice-Judiciary-USIA.....	Johnson.....	Apr. 17	Passed Senate May 15, approved June 11, Public Law 49.
Commerce.....	Holland.....	Apr. 9	Passed Senate May 17, approved June 13, Public Law 52.
3d supplemental, 1957.....	Hayden.....	May 7	Passed Senate May 20, approved June 21, Public Law 58.
District of Columbia.....	Pastore.....	Apr. 8	Passed Senate June 11, approved June 27, Public Law 61.
Labor-Health, Education, and Welfare.....	Mill.....	Apr. 4	Passed Senate June 12, approved June 29, Public Law 67.
Independent offices.....	Magnuson.....	Mar. 20	Passed Senate June 12, approved June 29, Public Law 69.
Legislative.....	Stennis.....	May 23	Passed Senate June 27, approved July 1, Public Law 75.
Interior.....	Hayden.....	Feb. 26	Passed Senate June 24, approved July 1, Public Law 77.
Agriculture.....	Russell.....	May 15	Passed Senate June 12; conference report to be filed July 8.
Defense.....	Chavez.....	May 29	Passed Senate July 2; conference, week of July 8.
Public works.....	Ellender.....	June 19	Subcommittee markup July 9.
Mutual security.....	Hayden.....		House holding hearings; Senate hearings, week of July 15.
Supplemental, 1958.....	Full committee.....		

Mr. JOHNSON of Texas. Mr. President, the statement shows that the Senate has acted on 14 of the 17 appropriation bills, and that 12 of them have been sent to the President. The agricultural and defense appropriation bills are still to be acted on in conference. The public works appropriation bill, which passed the House on June 19, will be marked up tomorrow. The mutual security appropriation bill has not been acted upon, because the House has not acted on the authorization bill, although the Senate passed the authorization bill sometime ago.

Of course we shall also have to consider the final supplemental appropriation bill, which has not been submitted as yet.

The PRESIDING OFFICER. What is the pleasure of the Senate?

SENATE LEGISLATIVE ACTIVITY THROUGH JUNE 30, 1957

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement on the legislative activity of the Senate for the 1st sessions of the 80th through the 85th Congress. I may say that I shall bring the table up to date after the call of the calendar today.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

the north line of said section a distance of 869.42 feet (approximately) to the east line of the aforesaid land of the United States; thence south 13 degrees 41 minutes west 10.32 feet (approximately) to the southeast corner of said 10-foot strip herein described; thence south 89 degrees 23 minutes 45 seconds west with a line 40 feet south of and parallel with the north section line 866.87 feet (approximately) to a point 30 feet east and 40 feet south of the northwest section corner; thence north 10 feet to the beginning.

And, on page 3, after line 6, to insert:
The above-described 2 parcels contain 0.68 acre, more or less.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to grant and convey to the city of Las Vegas, Nev., without consideration, and subject to such conditions as the Secretary may deem necessary, perpetual easements for road widening purposes in two small strips of land in the city of Las Vegas, Nev., owned by the United States (under the jurisdiction of the Fish and Wildlife Service, Department of the Interior), described as follows:

PARCEL NUMBERED 1

The east 45 feet of the west 75 feet of the north 507 feet of northwest quarter of the northwest quarter of section 30, township 20 south, range 61 east, Mount Diablo meridian; save and except the north 40 feet thereof.

PARCEL NUMBERED 2

A strip of land 10 feet wide in the northwest quarter northwest quarter of said section 30 having for its beginning corner a point 30 feet east and 30 feet south of the northwest corner of said section; thence north 89 degrees 23 minutes 45 seconds east with a line 30 feet south of and parallel with the north line of said section a distance of 869.42 feet (approximately) to the east line of the aforesaid land of the United States; thence south 13 degrees 41 minutes west 10.32 feet (approximately) to the southeast corner of said 10-foot strip herein described; thence south 89 degrees 23 minutes 45 seconds west with a line 40 feet south of and parallel with the north section line 866.87 feet (approximately) to a point 30 feet east and 40 feet south of the northwest section corner; thence north 10 feet to the beginning.

The above-described two parcels contain 0.68 acre, more or less.

Mr. MORSE. Mr. President, this bill would authorize the Secretary of the Interior to convey to Las Vegas, without consideration, perpetual easements for road widening purposes. The land consists of approximately one-half acre.

The land in question was granted to the United States by the city in 1937, without consideration, for use by the Fish and Wildlife Service.

The report—No. 579—says the United States has no need for the one-half acre, and that the highway improvement would be beneficial to the Fish and Wildlife Service.

In view of the original gratuitous conveyance to the United States, the lack of need for the one-half acre by the Federal Government, and the benefit to the Fish and Wildlife Service through the highway improvement, it appears no violation of the Morse formula is involved.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEVELOPMENT OF COAL ON THE PUBLIC DOMAIN

The bill (S. 2069) to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 2, at the beginning of line 3, to insert "after public hearing"; in the same line, after the word "that", to strike out "(1)"; and, in the same line, after the word "is", to insert "in the public interest and"; in line 4, after the word "necessary", to strike out "to enable" and insert "for"; at the beginning of line 5, to insert "in order"; and, in the same line, after the word "economically", to strike out "or (2) such person, association, or corporation is carrying on mining operations—including developments in furtherance or incidental thereto—under any such lease in such State or is commencing such operations, may permit such person, association, or corporation to take or hold coal leases or permits for an additional aggregate of ten thousand two hundred and forty acres in such State." and insert "may, under such regulations as he may prescribe, permit such person, association, or corporation to hold additional coal leases or permits in multiples of forty acres each not to exceed a total of five thousand one hundred and twenty acres in such State.", and after line 16, to insert:

SEC. 2. Subsection (c) of section 2 of such act of February 25, 1920, as amended (30 U. S. C. 202), is repealed.

So as to make the bill read:

Be it enacted, etc., That section 27 of the act of February 25, 1920, as amended (41 Stat. 448, 30 U. S. C. 184), is further amended by deleting from the first sentence thereof the words "coal or" and "for each of said minerals," and inserting at the beginning of said section the following:

"No person, association, or corporation, except as herein provided, shall take or hold coal leases or permits during the life of such lease in any one State, exceeding in the aggregate acreage 10,240 acres, except that the Secretary of the Interior, where he finds, after public hearing, that it is in the public interest and necessary for a person, association, or corporation in order to carry on business economically, may, under such regulations as he may prescribe, permit such person, association, or corporation to hold additional coal leases or permits in multiples of 40 acres each not to exceed a total of 5,120 acres in such State."

SEC. 2. Subsection (c) of section 2 of such act of February 25, 1920, as amended (30 U. S. C. 202), is repealed.

Mr. BARRETT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement in explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BARRETT

The bill, S. 2069, was introduced by my colleague, Senator O'MAHONEY, and myself. The bill has two objectives: (1) to increase the maximum acreage which may be held under a coal lease or permit under the Mineral Leasing Act from 5,120 acres to 10,240 acres, with a provision that after public hearing and upon proper showing, the Secretary of the Interior in his discretion may grant an additional lease of not to exceed 5,120 acres, and (2) to repeal the provisions of section 2 (c) of the Mineral Leasing Act which requires that a railroad company can use coal produced under a Federal lease solely for the operation of its railroad.

The Secretary of the Interior submitted a favorable report on the bill. The Bureau of the Budget concurred in the views expressed by the Secretary and reported that it had no objection to the enactment of the bill. The bill was reported unanimously by our Senate Interior Committee. Many witnesses appeared at the hearing before the committee in support of the bill and no one appeared in opposition thereto.

Wyoming is blessed with an abundance of coal. Coal deposits have been found in every county in Wyoming. The Federal Government owns the coal under 70 percent of the area of our State. The Federal lands are estimated to contain 84 billion tons of coal. Coal is one of Wyoming's greatest natural resources. In 1940 there were 126 commercial and 11 captive, making a total of 137 coal mines in operation in our State. In 1956 only 20 commercial and 4 captive, making a total of 24 mines in operation. The average number of men employed in coal mining in Wyoming has decreased from 4,321 in 1940 to 1,016 in 1956.

If this bill is passed we have every reason to believe that several large power installations will be constructed at different points in our State that will use and develop our coal resources and give employment to many of our people.

Secretary Seaton in his favorable report on the bill stated the case in this fashion: "An increase in the maximum acreage which may be held under a coal lease or permit now appears necessary if the Federal Government is to permit the more complete utilization of low and medium grade coal deposits under the more modern methods of mechanized mining. * * * There are in the Western States extensive coal deposits amenable to strip mining which could provide a low-cost source of coal supply and could be utilized for power production to firm up hydroelectric power. Thus, an increase in acreage limitation would tend to provide energy sources which are demanded by our expanding economy and would be in the national interest."

The bill will make it possible for widespread development of our coal resources and the conversion of the coal into low-cost power to meet the expanding industrial needs of Wyoming. In addition, the bill will enable the Union Pacific Railroad Co. to expand its present coal mining business under its proposed dual operation of extracting synthetic fuels and tars and using the char for the purpose of generating electric power and thereafter using the power to process iron ore from its tremendous iron ore holdings at Iron Mountain, northwest of Cheyenne, Wyo.

The coal reserves of Wyoming have been estimated at 121 billion tons, of which 13 billion tons is bituminous coal and 108 is sub-bituminous coal. This bill will, in my judgment, make possible a revival of the coal mining industry in our State.

I am confident that not only Wyoming but many other Western coal States will be bene-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 17, 1958
For actions of July 16, 1958
85th-2d, No. 119

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HIGHLIGHTS: House concurred in Senate amendment to bill to extend authority for Federal administration of ACP. Senate debated trade agreements extension bill. House committee reported bill to increase allotments for extra-long staple cotton seed.

HOUSE

1. SOIL CONSERVATION. Agreed to the Senate amendment to H. R. 1045, to extend for 4 additional years, until December 31, 1962, the authority of the Secretary to administer the agricultural conservation program pending the approval of State plans for administration of the program. This bill will now be sent to the President. p. 12737
2. COTTON ALLOTMENTS; LANDS. The Agriculture Committee reported without amendment H. R. 12531 to permit the allocation from acreage of extra long staple cotton for the production of extra long staple cotton seed (H. Rept. 2185), and H. R. 11800, with amendment, to authorize the Secretary to sell a tract of land and buildings thereon under the jurisdiction of ARS to Clifton, N. J. (H. Rept. 2184). p. 12779
3. FISH AND WILDLIFE. The Merchant Marine and Fisheries Committee reported with amendments H. R. 13138, to amend the Coordination Act so as to provide more effective integration of fish and wildlife conservation programs with Federal

water development programs (H. Rept. 2183); S. 2617, to authorize the purchase by the Secretary of the Interior of wetlands and small areas for migratory bird sanctuaries from funds collected from the sale of migratory bird hunting stamps (H. Rept. 2182); and S. 2447, to authorize studies by Interior of the effects of insecticides, herbicides, fungicides and other pesticides upon fish and wildlife (H. Rept. 2181). p. 12779

4. SMALL BUSINESS. The Ways and Means Committee reported with amendment H. R. 13382, the proposed Small Business Tax Revision Act of 1959 (H. Rept. 1298). p. 12779
5. FEDERAL-STATE RELATIONS. Continued debate on H. R. 3, to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. pp. 12745-74
6. PERSONNEL. A subcommittee of the Government Operations Committee ordered reported with amendment S. 1903, to specifically include persons who are appointed by the President and confirmed by the Senate among the personnel for whom certain transportation costs may be paid outside continental U. S. p. D688
A subcommittee of the Post Office and Civil Service Committee ordered reported with amendment S. 25, to specify the effective date upon which changes in pay of wage-board employees shall begin following the start of a survey. p. D689
7. WATER POLLUTION. The Public Works Committee ordered reported H. R. 11714, to amend the Federal Water Pollution Act so as to increase the limitation on certain grants for construction from \$250,000 to \$500,000. p. D689
8. ELECTRIFICATION. Conferees were appointed on H. R. 13121, authorizations for appropriations for AEC projects for 1959. Senate conferees have been appointed. p. 12774
9. AREA REDEVELOPMENT. Rep. Byrd urged enactment during this session of legislation to provide Federal assistance to economically depressed areas. p. 12776

SENATE

10. TRADE AGREEMENTS. Began debate on H. R. 12591, to extend and amend the Trade Agreements Act. Adopted the committee amendments en bloc as the text for additional amendments. pp. 12655-7, 12659-60, 12674-94, 12698-9, 12718-33
11. FORESTRY. The Agriculture and Forestry Committee ordered reported the following bills without amendment:
 - H. R. 10321, to authorize the exchange of lands within the Estes Park Administrative Site, Roosevelt National Forest, for lands of equal value outside the Forest;
 - H. R. 11253, to authorize the Secretary of Agriculture to exchange certain Forest Service lands and improvements with Redding, Calif.;
 - H. R. 12161, to provide for the establishment of townsites from national forest lands;
 - S. 3248, to authorize the Secretary of Agriculture to exchange lands comprising the Pleasant Grove Administrative Site, Uinta National Forest, with a Pleasant Grove, Utah, church;

S. 3676. An act for the relief of Maria Michela Leo di Gioia;

S. 3723. An act to amend Public Law 522, 84th Congress (relating to the conveyance of certain lands to the city of Henderson, Nev.);

S. 3827. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, as amended;

S. 3941. An act to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, and for other purposes; and

S. 3987. An act granting the consent and approval of Congress to the Tennessee-Tombigbee Waterway Development Compact.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3057. An act to amend the District of Columbia Teachers' Salary Act of 1955.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1850) entitled "An act to adjust conditions of employment in departments or agencies in the Canal Zone."

SUBCOMMITTEE ON ELECTIONS OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1045) to amend the Soil Conservation and Domestic Allotment Act, as amended, with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h), is amended by striking out of subsection (a) 'January 1, 1959' and 'December 31, 1958', wherever they appear therein, and inserting in lieu thereof 'January 1, 1963' and 'December 31, 1962', respectively."

(Mr. ABERNETHY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ABERNETHY. Mr. Speaker, since its inception in 1937, the agricultural conservation program has been one of the Government's most successful aids to the farmers of the United States.

Under this program farmers in every part of the country have learned the benefits of conservation farming and have been assisted in putting into effect sound conservation practices which not only increase the present returns from

their land, but preserve the land and its fertility for future generations.

From the start, the program has been extended 2 years at a time by Congress. It seems to me that the trial period is over—that the ACP program has proved itself and should be made a permanent part of our agricultural legislation.

The bill I introduced at the beginning of this Congress would have done this. It would have provided for a continuing program without the necessity of extension of the authority by Congress from time to time. It would have substantially simplified the planning, budgeting, and appropriating functions in connection with the program.

This bill passed the House overwhelmingly, I believe unanimously, but the Senate, in its wisdom, has limited the extension authority to 4 years. While this is not what I would like to see done, it does assure continuation of the program without interruption for another 4 years and I am asking the House to approve this action so that the present continuation of the program will be guaranteed.

If the program is operating as successfully 4 years from now as it is at the present time, and I am confident it will be, I sincerely hope it will be made a permanent part of the Government's services to agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THE SITUATION IN THE MIDEAST

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Not if it is controversial. The Chair is not going to recognize Members to talk about foreign affairs in this critical situation.

Mr. CELLER. My statement is going to be in favor of what the President is doing.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I join many who congratulate our President on sending Marines to Lebanon. He has manifested wisdom and courage.

He seized time by the forelock. The situation in the Middle East brooked of no further delay. The President knew as a soldier that "on the plains of hesitation lie the countless bones of millions."

He seeks to preserve the integrity of Lebanon's borders and to protect American lives. The President's action is an answer to a desperate situation.

Inaction and drift would have been fatal. Gradually, like ripe plums, Mideast countries, one by one, would have fallen into the maw of Khrushchev and his stooge Nasser.

We must lend the President every support.

CORRECTION OF ROLL CALL

Mr. UDALL. Mr. Speaker, I ask unanimous consent that rollcall No. 127 may be corrected. I am recorded as absent. I was present and answered to my name.

The SPEAKER. Without objection, the permanent RECORD and Journal will be corrected accordingly.

There was no objection.

Mrs. DWYER. Mr. Speaker, on rollcall No. 129 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and Journal may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

NATIONAL AERONAUTICS AND OUTER SPACE ACT OF 1958

Mr. McCORMACK. Mr. Speaker, I call up the conference report on the bill (H. R. 12575) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement of the managers.

(For conference report and statement, see proceedings of the House of July 15, 1958.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that I may have permission to extend my remarks at this point in the RECORD, and that all Members who desire to do so may have the same permission.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, this body is meeting in a time of crisis. The safety of the free world hangs on the wisdom of the leaders of this country and of the other countries who have the same basic goals of freedom and human dignity which motivate the United States. Our hopes and our hearts rest also with the brave men who are landing on the beaches of Lebanon, dedicating their very lives to seeing that a major conflict does not grow out of the events in that distant land.

When a crisis is actually at hand, some may say that the Congress can do little about it. This would be inaccurate. The Congress is an important means for marshaling the support of the people behind the Commander in Chief. The Congress also provides the wherewithall to support national policy through appropriations

laws and other needed regulation. A crisis on hand often has its own momentum, however, and the best that can be done at the time is to play out the steps required with the greatest regard for the national interest as is possible.

Other crises may lie in the future, and they cast their shadow before them. But a crisis in the future has the advantage that there is more freedom of action in deciding how to meet it, and indeed, how to see that it does not arise at all.

I know that it is hard for all of us in the middle of a current crisis demanding immediate solutions to turn our attention to the approaching shadow of a future crisis. But I am sure that the majority of the Members recognize that unless the United States acts swiftly today to meet the future crisis of Soviet outer space supremacy, this country in a very few years, sooner than most people realize, will face a crisis of such magnitude as to make the problems of today seem picayune.

The Congress has received the reports of the House Select Committee on Astronautics and Space Exploration, and of the corresponding committee of the Senate. The eloquent, compelling, and frightening testimony of highly qualified witnesses is in print and available for the Members to read.

Mr. Speaker, what we do today in providing the machinery for the most rapid development of space capabilities will determine the outcome of the emergencies of tomorrow. The long lead-times involved in scientific research and development, and the great complexity of technology required to create operational, practical astronautics vehicles will allow us no opportunity for second guessing and catching up at a later date. What we decide this year will set what our people can and will be doing 3, 5, and 10 years from now.

Just as surely as we fail to make a real effort to develop these new scientific means across a broad front of research, development, and exploration, a terrible disaster will await us. We want to dedicate the use of outer space to peace and to cooperate with the world in this regard. If we are passive, however, do not imagine that all we will do is to delay the arrival of the space age. For no matter how we dress it up or how we soothe ourselves with other comparisons, the unfortunate and ugly fact is that the Soviet Union has a long lead in its space capabilities. Like most other powers of mankind, space technology of itself is neutral. It does not favor democracy or dictatorship. It does not favor peace or war. It is mankind's use of it which makes it work for good or evil.

If the Soviet Union alone develops its space capabilities, the terrible possibility is that the United States and the free world will eventually come face to face with an ultimatum for surrender, with destruction of our people and cities the only alternative. Freedom, fought for over the centuries, will have been lost to the first worldwide tyranny. This we must not let happen through our failure to heed the clear warning of today. Five or ten years from now it will be too late.

Although national safety must be paramount in the matter of space use, I remind the Members that the reports of the select committee have made it clear that the development of space vehicles in their many forms is not just another burden for the defense budget. Strong United States capabilities in the field of astronautics would be a symbol of hope for peace and a great advance in the welfare of our people and that of all the people of the world. The members of this select committee have pointed out what a growing space-development program can mean to employment, to the profitability of all business and agriculture through improved weather prediction, and to the ease of communications throughout the world. The reports we have issued also have relayed to you the astounding advances—unforeseeable in detail—which scientific discoveries in space can mean to every aspect of earth-bound life. Human-health improvements may hinge upon such work. New sources of energy may be found in the electrical and ionized belts found at several levels of the upper atmosphere. Rare and valuable materials may be found in asteroids which can be returned to earth. What mysteries of the origin of the universe and of life, and of God's great purposes will be unfolded are beyond imagining. This is a new frontier which may provide such an outlet for the energies, interests, and attention of all mankind that the day will be hastened when earthly quarrels will be pushed into the background, and war among our human brothers will be no longer a threat.

This House and the Senate have shown they understand both the great blessings which can flow from space development and the grim realities of defense. They showed this by unanimously passing their respective bills relating to space. Yesterday the conference committee of the two Houses met and reconciled the differences of language between the two bills. There was never any real difference as to fundamental purpose. We have wished to create a strong civilian agency which could pursue on a broad front the great range of scientific and engineering problems presented by space development and exploration. We have wanted to protect the legitimate rights of the military to carry on such work as their responsibilities for the national defense entail. We desired to do this at a minimum cost to the people and with a minimum increase in the size of Government. For that reason, the National Advisory Committee for Aeronautics is being abolished, and its personnel and facilities become the principal building block for the new civilian space administration.

The unanimous report of the conference committee and the explanation of the House managers is before you. When the Congress enacts this bill, it will provide the Chief Executive with the tools he requires to carry out a well-integrated space program. Although he will continue to need our encouragement and support and interest, it will be up to him to exercise the necessary leadership to make the program effective.

Without reservation, I can report to you that this is a good bill, carefully conceived and drafted on the basis of extensive hearings with the greatest scientific and administrative minds in America. The bill which comes back to you for final passage is a stronger and better bill than the one you have already passed.

In the original bill, your committee tried to follow as closely as possible the form of the administration bill which I and others introduced. Because it was generally well conceived, we did not want to force on the President an organizational structure which did not carry out what his message called for in much the way he wanted it. But the hearings of both committees and the reports prepared by this select committee stress the tremendous need for some overall direction of the national space effort which would coordinate to the utmost what is done by both the civilian space agency and the Department of Defense. This proved difficult to create in a way that did not have as many faults as it did virtues. During the course of the last month as a result of further consideration, the two committees arrived at a good solution, and it is a solution which has the support of the President.

What the amended bill does is to create a National Aeronautics and Space Council which is advisory to the President. Like the National Security Council, this new key group will bring together a small number of the top leaders of Government, and additionally allows the President to recruit leaders in science and administration from private life to advise him on the overall needs for a thorough-going national program and how it should be divided and coordinated between the Department of Defense and the National Aeronautics and Space Administration.

The conference committee is delighted with this solution, and it supplies the missing ingredient of the original House bill, which had been left out previously because this solution had not been discovered. This high-level advisory council takes the place of the former 17-man advisory committee which the House bill called for, and also of the Senate-proposed Policy Board, which would have been superimposed on the space agency between its head and the President, and which would have had the power to make determinations of jurisdiction over space projects. The result is to place the space program at the high level of Government that its great importance deserves.

The President under the bill is given considerable latitude as to how he will utilize this advisory council. But we cannot stress too strongly how important we feel its mission will be. We would expect that it will meet frequently, not because it will be settling a host of minor disputes, but simply because the great new problems of the space age are crowding in on us so fast that only a very high-level group, by meeting frequently, will be able to make adequate provision for national needs.

This council is provided with authority to employ a small professional staff

Public Law 85-553
85th Congress, H. R. 1045
July 25, 1958

AN ACT

72 Stat. 414.

To amend the Soil Conservation and Domestic Allotment Act, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h), is amended by striking out of subsection (a) “January 1, 1959” and “December 31, 1958”, wherever they appear therein, and inserting in lieu thereof “January 1, 1963” and “December 31, 1962”, respectively. 70 Stat. 597.

Approved July 25, 1958.

